

Cabinet

Tuesday 21 July 2015

4.30 pm

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

Membership

Councillor Peter John
Councillor Ian Wingfield

Councillor Fiona Colley
Councillor Stephanie Cryan
Councillor Barrie Hargrove
Councillor Richard Livingstone
Councillor Darren Merrill
Councillor Victoria Mills
Councillor Michael Situ
Councillor Mark Williams

Portfolio

Leader of the Council
Deputy Leader and Cabinet Member for
Business, Employment and Culture
Finance, Modernisation and Performance
Adult Care and Financial Inclusion
Public Health, Parks and Leisure
Housing
Environment and the Public Realm
Children and Schools
Communities and Safety
Regeneration and New Homes

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

Paula Thornton 020 7525 4395 or Virginia Wynn-Jones 020 7525 7055
Or Email: paula.thornton@southwark; virginia.wynn-jones@southwark.gov.uk

Members of the committee are summoned to attend this meeting

Councillor Peter John
Leader of the Council
Date: 13 July 2015



PRINTED ON
RECYCLED PAPER

Cabinet

Tuesday 21 July 2015

4.30 pm

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

Order of Business

Item No.	Title	Page No.
----------	-------	----------

PART A - OPEN BUSINESS

MOBILE PHONES

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

1. APOLOGIES

To receive any apologies for absence.

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

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

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

1

To note the items specified which will be considered in a closed meeting.

4. DISCLOSURE OF INTERESTS AND DISPENSATIONS

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

5. PUBLIC QUESTION TIME (15 MINUTES)

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

Item No.	Title	Page No.
6.	MINUTES	2 - 5
	To approve as a correct record the minutes of the open section of the meeting held on 23 June 2015.	
7.	DEPUTATION REQUESTS	
	To consider any deputation requests.	
8.	SOUTHWARK'S ADOPTION SERVICES	6 - 22
	To note the recommendations of the report and to agree that the cabinet member brings a report back to cabinet within eight weeks, in order to respond to the overview and scrutiny committee.	
9.	NARROWING THE ACHIEVEMENT GAP	23 - 58
	To note the recommendations of the report and to agree that the cabinet member brings a report back to cabinet within eight weeks, in order to respond to the overview and scrutiny committee.	
10.	RESPONSE TO SOUTHWARK AND LAMBETH CHILDCARE COMMISSION	59 - 70
	To agree the proposed actions in response to the recommendations of the Southwark and Lambeth Childcare Commission.	
11.	PRIMARY AND SECONDARY SCHOOL PLACE PLANNING STRATEGY UPDATE	71 - 90
	To note the updated forecasts of primary school reception places and demand for year 7 secondary school places in the borough.	
	To agree to phase the expansion of Ivydale primary school to occur in two stages.	
12.	PROGRESS UPDATE ON THE COUNCIL'S HOUSING INVESTMENT PLANS	91 - 121
	To note the housing investment plan progress update and agree a detailed affordable funding plan to support housing investment in new council homes.	

Item No.	Title	Page No.
13.	KEY PRINCIPLES AND PROTOCOL FOR DEVELOPING NEW COUNCIL HOMES IN PARTNERSHIP WITH RESIDENTS	122 - 140
	To agree the proposed engagement process for residents affected by redevelopment proposals and agree the updated package of housing options for affected residents.	
14.	CASH INCENTIVE SCHEME 2015-16	141 - 153
	To approve a number of decisions in relation to the council's cash incentive scheme in 2015/16.	
15.	PROPOSAL TO IMPLEMENT THE EXTENSION OF LICENSING POWERS UNDER THE HOUSING ACT 2004	154 - 172
	To authorise the implementation of the additional and selective licensing schemes from 1 November 2015 for houses in multiple occupation in Southwark under the Housing Act 2004 and initial fee levels.	
16.	STANDARDS FOR HOUSES IN MULTIPLE OCCUPATION	173 - 179
	To agree to adopt the revised standards for housing in multiple occupation.	
17.	QUARTERLY CAPITAL MONITORING OUTTURN REPORT FOR 2014/15 AND CAPITAL PROGRAMME REFRESH FOR 2014/15-2023/24	180 - 210
	To note the outturn position for 2014/15 for the general fund capital programme including the overall position of the programme for the period 2014/15 to 2023/24 and the outturn position for 2014/15 for the housing investment programme, including the overall position of the programme for the period 2014/15 to 2021/22.	
	To approve the virements and funded variations to the general fund and housing investment capital programme and approve the re-profiling of budgets in line with the forecast expenditure and resources in the new financial year 2015/16 and agree the process for identifying projects for which community infrastructure levy (CIL) may be used as all or partial funding.	

Item No.	Title	Page No.
----------	-------	----------

- | | | |
|------------|--|------------------|
| 18. | REVENUE OUTTURN REPORT 2014/15, INCLUDING TREASURY MANAGEMENT | 211 - 227 |
|------------|--|------------------|

To note the general fund outturn for 2014/15, the housing revenue account final outturn for 2014/15 and the treasury management activity for 2014/15. To also note that £1.77m was taken from contingency to address temporary accommodation pressures and that £5.940m was taken from reserves during 2014/15.

To approve the general fund budget movements that exceed £250,000.

- | | | |
|------------|--|------------------|
| 19. | RESPONSE TO RECOMMENDATIONS ON COMMISSIONING AND PROCUREMENT AT SOUTHWARK COUNCIL (OVERVIEW AND SCRUTINY COMMITTEE) | 228 - 234 |
|------------|--|------------------|

To agree the proposed response to the overview and scrutiny committee's review of commissioning and procurement at Southwark Council. To also agree to the development of a new fairer future procurement strategy.

- | | | |
|------------|---|------------------|
| 20. | APPOINTMENTS TO OUTSIDE BODIES - BETTER BANKSIDE BOARD | 235 - 236 |
|------------|---|------------------|

To consider and agree a nomination to the Better Bankside Board for the 2015/16 municipal year.

- | | | |
|------------|--|------------------|
| 21. | DEVELOPMENT PROPOSALS FOR EAGLE WHARF SITE, LONDON SE15 | 237 - 245 |
|------------|--|------------------|

To approve the proposals to grant a long leasehold interest in the Eagle Wharf site, Peckham SE15 to Mountview Academy of Theatre Arts.

OTHER REPORTS

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

- | | |
|------------|--|
| 22. | POLICY AND RESOURCES STRATEGY 2016/17 TO 2018/19 - SCENE SETTING REPORT |
|------------|--|

- | | |
|------------|--------------------------------------|
| 23. | SENIOR MANAGEMENT RESTRUCTURE |
|------------|--------------------------------------|

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

EXCLUSION OF PRESS AND PUBLIC

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

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

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

PART B - CLOSED BUSINESS**24. MINUTES****25. DEVELOPMENT PROPOSALS FOR EAGLE WHARF SITE, LONDON SE15**

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

Date: 13 July 2015

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

Cabinet 21 July 2015

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

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

This notice issued in accordance with The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 is to confirm that the cabinet meeting to be held on 21 July 2015 at 4.30pm, Council offices, 160 Tooley Street, London SE1 2QH will be held partly in closed session for consideration of the following items listed on the agenda:

Item 25: Development Proposals to the Eagle Wharf Site, London SE15

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

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

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

Ian Millichap,
Proper Constitutional Officer

Dated: 13 July 2015



Cabinet

MINUTES of the OPEN section of the Cabinet held on Tuesday 23 June 2015 at 4.00 pm at Ground Floor Meeting Room GO2A, 160 Tooley Street, London SE1 2QH

PRESENT: Councillor Peter John (Chair)
Councillor Ian Wingfield
Councillor Fiona Colley
Councillor Stephanie Cryan
Councillor Barrie Hargrove
Councillor Richard Livingstone
Councillor Darren Merrill
Councillor Victoria Mills
Councillor Michael Situ
Councillor Mark Williams

1. APOLOGIES

There were none.

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

There were none.

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

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

4. DISCLOSURE OF INTERESTS AND DISPENSATIONS

There were none.

5. PUBLIC QUESTION TIME (15 MINUTES)

No public questions were received.

6. MINUTES

RESOLVED:

That the minutes of the meeting held on 2 June 2015 be approved as a correct record and signed by the chair.

7. DEPUTATION REQUESTS

There were none.

8. HEALTH OF THE BOROUGH: A REPORT FROM THE HEALTHY COMMUNITIES SCRUTINY SUB-COMMITTEE

Councillor Rebecca Lury, chair of the healthy communities scrutiny sub-committee, presented the report.

RESOLVED:

That the recommendations of the report be noted, and that the relevant cabinet member bring back a report to cabinet within eight weeks in order to respond to the overview and scrutiny committee.

9. HALVE IT - REDUCING HIV LATE DETECTION

RESOLVED:

1. That the local efforts to halve the rate of HIV late diagnosis by 2020 be endorsed, by:
 - a) Implementing the Lambeth, Southwark and Lewisham (LSL) Sexual Health Strategy which includes a commitment to improving access to HIV testing by delivering on programmes of work outlined below
 - b) Implementing NICE guidance on HIV testing
 - c) Widening access to testing across primary care settings (this may include expanding testing in specific locations and could include GP practices and potentially in high street pharmacies)
 - d) Widening provision of HIV testing in acute settings (this may include providing additional testing services in medical wards, A&E and out patient services)
 - e) Engaging with stakeholders (GUM, Primary Care, Community Services and patients/public) in designing and implementing testing services
 - f) Widening access to HIV testing through SH24, Lambeth and Southwark's online sexual health service (SH24 is working with GUM clinicians to provide a viable alternative to people who are asymptomatic by signposting appropriately to the online service and reducing service cost)
 - g) Establishing an LSL-wide C-card scheme (condom distribution) for both young people and vulnerable adults as part of a wider sexual health promotion programme

- h) Developing a 'Halve it delivery plan' (which includes prevention) for consideration by cabinet in six months.

10. FAIRER FUTURE ANNUAL PERFORMANCE REPORT 2014/15

RESOLVED:

That delivery against the council plan 2014 – 2018 for year end 2014/15 be noted.

11. GATEWAY 1 PROCUREMENT STRATEGY APPROVAL: SUPPLY OF GAS TO ALL COUNCIL SITES

RESOLVED:

1. That the procurement strategy outlined in the report for the supply of gas to all council sites, as detailed in paragraph 2 of the report, at an estimated value of £11.5m per annum for a four year period from 1 October 2016 giving an estimated total value of £46m, be approved.
2. That information on the outcomes of the warm dry safe programme on fuel bills be added into the gateway 2 report.

12. GATEWAY 1 PROCUREMENT STRATEGY APPROVAL: SUPPLY OF ELECTRICITY TO ALL COUNCIL SITES

RESOLVED:

1. That the procurement strategy outlined in the report for the supply of electricity to all council sites as detailed in paragraph 2 of the report, at an estimated value of £6.4m per annum for a four year period from 1 October 2016 giving an estimated total value of £25.6m, be approved.
2. That information on the outcomes of the warm dry safe programme on fuel bills be added into the gateway 2 report.

13. GATEWAY 2: CONTRACT AWARD APPROVAL FOR PREVENTION AND INCLUSION FRAMEWORK - ACCOMMODATION BASED SERVICES

RESOLVED:

1. That an increase in the numbers of suppliers on the mental health category of the joint Lewisham-Southwark framework for accommodation based prevention and inclusion services from 10 to 15 be approved due to the reasons outlined in paragraph 24 of the report.
2. That the suppliers listed in paragraph 25 of the report be placed onto the joint Lewisham-Southwark framework agreement.

3. That the joint Lewisham-Southwark framework be noted as operating for a period of four years commencing on 1 August 2015 until 31 July 2019.
4. That the contracts 'called off' from the framework agreement being subject to individual contract award reports and decisions that will be taken in line with the council's contract standing orders be noted.
5. That the total current annual budget in Southwark for services subject to the framework is £4.2m be noted.

EXCLUSION OF PRESS AND PUBLIC

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

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

14. GATEWAY 2: CONTRACT AWARD APPROVAL FOR PREVENTION AND INCLUSION FRAMEWORK - ACCOMMODATION BASED SERVICES

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

Meeting ended at 4.45 pm.

CHAIR:

DATED:

DEADLINE FOR NOTIFICATION OF CALL-IN UNDER SECTION 21 OF THE OVERVIEW AND SCRUTINY PROCEDURE RULES IS MIDNIGHT, WEDNESDAY 1 JULY 2015.

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

Item No. 8.	Classification: Open	Date: 21 July 2015	Meeting Name: Cabinet
Report title:		Southwark's Adoption Service	
Ward(s) or groups affected:		All	
From:		Education & Children's Services Scrutiny Sub-Committee	

RECOMMENDATIONS

1. That the cabinet considers the recommendations by education & children's services scrutiny sub-committee and that the relevant cabinet member brings back a report to cabinet, in order to respond to the overview and scrutiny committee, within eight weeks.

BACKGROUND INFORMATION

2. Attached is the final report arising from the scrutiny review of Southwark's Adoption Services.
3. The review set out to look at how Southwark's adoption service is doing, from the perspective of a child in our care, of an adopter, and of a taxpayer.
4. The report particularly consider changes in national adoption policy, which present significant opportunities for Southwark's adoption service to improve outcomes for children in our care, to help more people adopt successfully, and to streamline service delivery. Specifically, recent moves to a) speed up the adoption process, and b) remove race-related restrictions on prospective adopters can, if implemented thoughtfully, improve outcomes for our children and help us create a more efficient service.
5. The overview and scrutiny committee considered the sub-committee's report at its meeting on 20 May 2015. The committee welcomed the report and the valuable work of the sub-committee.

OVERVIEW & SCRUTINY COMMITTEE RECOMMENDATIONS

6. The committee's recommendations for consideration by cabinet are set out within the body of the report attached as Appendix A.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Education & Children's Services Scrutiny Sub-Committee administrative year 2014/15	Scrutiny Team 160 Tooley Street London SE1 2QH	Julie Timbrell 020 7525 0514
Link: http://moderngov.southwark.gov.uk/ieListMeetings.aspx?CId=380&Year=0		

APPENDICES

No.	Title
Appendix A	Southwark's Adoption Service

AUDIT TRAIL

Lead Officer	Shelley Burke, Head of Overview & Scrutiny		
Report Author	Julie Timbrell, Scrutiny Project Manager		
Version	Final		
Dated	9 July 2015		
Key Decision?	No		
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER			
Officer Title		Comments sought	Comments included
Director of Legal Services		N/a	N/a
Strategic Director of Finance and Corporate Services		N/a	N/a
Chief Officers		N/a	N/a
Cabinet Member		N/a	N/a
Date final report sent to Constitutional Team			9 July 2015

Southwark's Adoption Service report

June 2015

Education and Children's Services scrutiny sub-committee

www.southwark.gov.uk



Contents

		Page
1	Summary	2
2	Introduction	2
3	Children in our care	3
4	Evidence gathering	3
5	Focus group with adoptive parents	5
6	Scrutiny session with representative from PAC – UK	6
7	Policy Seminar with stakeholders	9
8	Conclusion	9
9	Recommendations	10
10	Review contributors	12

1 Summary

How is Southwark's adoption service doing, from the perspective of a child in our care, of an adopter, and of a taxpayer?

Changes in national adoption policy present significant opportunities for Southwark's adoption service to improve outcomes for children in our care, to help more people adopt successfully, and to streamline service delivery.

Specifically, recent moves to a) speed up the adoption process, and b) remove race-related restrictions on prospective adopters can, if implemented thoughtfully, improve outcomes for our children and help us create a more efficient service.

Data shows that the Southwark adoption service is already making significant progress but not enough and not quickly enough. This review sets out some further steps that will improve outcomes for all our stakeholders and position Southwark as a model for others to follow.

2 Introduction

- 2.1 Adoption has undergone a significant transformation following the release of the Narey Report in 2012. The implications for local authorities, their partners and children in care can be found in the government-published documents 'An Action Plan for Adoption: tackling delay', and 'Further Action on Adoption: finding more loving homes'.
- 2.2 The aim of the reforms is a faster and less complex adoption process where age, race or secondary issues like being a smoker would cease to be a barrier for prospective adoptive parents.
- 2.3 The scrutiny committee's concern is what this has meant for children in our care. Close examination of the 'adoption scorecard' containing the information that must be sent to central government suggests that the local authority is improvement bound. The role of the scrutiny committee is to get underneath the quantitative data of the scorecard and find out how we were doing from an adoptive family's perspective and the perspective of a child in care. We also obtained the views of an outside expert. The following report is based on the Education and Children's Services Scrutiny's review into the adoption process in Southwark in 2014/15.

3 Children in our care

3.1 Compared to national rates Southwark has a high rate of referrals; as at October 2014 these stood at 3200. There are 3000 children in need and 330 children with a child protection plan.

3.2 There are 537 children in care and the breakdown of placement types is

- 78% of children in care are placed with foster parents
- 9% are living in residential settings
- 5% are living independently
- 9% of children leaving Southwark's care were adopted.ⁱ

3.3 Educational outcomes

- 31% have a SEN (national average is 3%)
- 92.8% average attendance (96.8% primary)
- 60% are in schools outside of Southwark
- 26.7% achieved 5 good GCSE's (Southwark average is 65.2%)

Evidence gathering

4 Scrutiny session with service representatives

In October 2014 a scrutiny session took place with Rory Patterson, Director of Children's Social Care and Alasdair Smith, Head of Adoption Service. A verbatim account of it is available. The key points are

4.1 Following the introduction of the adoption performance 'Scorecard' the council ran a successful adopter recruitment campaign which resulted in the number of approved adopters increasing from 21 to 29. This increase, of more than one third, is encouraging, but the base number of adopters in one of Britain's largest Boroughs is still very low.

By the end of 2014/15 (31 March 2015) Southwark will have achieved 39 adoptions. This is the highest number of adoptions when compared to the seven London LAs which were recently inspected under the new Ofsted Single Inspection regime.

4.2 The average time taken between a child entering care and moving in with her/his adoptive parent is 676 days. Performance has been improving over last five years and the latest results show improvement of 60 days. The trend is still more than 100 days short of the government's 547day target and 30 days short of the national average. The next published Scorecard (2012/15) will show a more significant improvement. Timeliness is expected to drop to approximately 550 days, very close to the Government threshold.

Looking at 2014/15 timeliness alone Southwark was in target at 431 days.

- 4.3 The average time between a local authority receiving court authority to place a child and the local authority deciding on a match to an adoptive family has shown improvement. Matching in 2013/14 took 46 fewer days than previous years.
- 4.4 8 out of the 33 children took longer than 200 days to be matched with and adopter. All were White British (5 boys and 2 girls) except one who was White and Black African. In 2014/15 6 children were matched in under 100 days and 2 of these were matched in one month.
- 4.4 The volume and proportion Number and percentage of children where the permanence decision has changed away from adoption has been increasing for the past three years. Southwark's 2010-13 3-year average was 14% which is above the national average result of 9%. 2013/14 annual performance shows a 15% reversal rate and confirms that performance is in decline

In 2014/15 Southwark has seen 9 cases where the permanence decision has changed away from adoption. This is down on 2013/14 results which showed 11.

- 4.5 Number and percentage of children aged over 5 who are adopted is below average. While Southwark's 3-year average figure has improved from 1% to 2% it is still below national and statistical neighbour averages. At the end of September 2014, 4 out of 22 children adopted were age 5 or over (18%). In 2014/15 there have been 8 children aged over 5 who were adopted (22%). Performance is improving, but Southwark is below comparators.
- 4.6 At the end of September 2014 11 out of 22 (50%) children adopted were from BME backgrounds.
- 4.7 There is an under representation of different ethnic groups amongst adopters with a shortage of prospective adoptive parents from black, minority ethnic backgrounds.
- 4.8 Given the diversity of the borough, Southwark could be a shining example of transracial adoption. The service is targeting their marketing materials to attract more adopters from varied backgrounds.

In 2014/15 just over ¼ of all adoptions were transracial which officers evidenced to demonstrated to evidence that that family finders understand that ethnicity considerations alone should not prevent an otherwise good match between a parent and child. Southwark also dispels the myths and promotes transracial adoption on their website.

- 4.9 The average time between a child coming into care and moving in with its adoptive family needs to be lower. An improvement of 60 days will be crucial to a baby or toddler. Legislative changes mean that families can now foster to adopt and the Council is looking into enabling this.

5 Focus group with adoptive parents

A focus group with eight adoptive parents and representatives of the scrutiny subcommittee was held on December 2014. The reports from the participants were mainly positive, but here we focus on what can be improved. A detailed note of the meeting is attached. The key findings are as follows

- 5.1 Concern about “assessment cheating”. New adopters are only coming into the system to complete assessment and training once they have ‘registered’ as adopters in the induction process.
- 5.2 Two adopters (one with Southwark) were concerned that they had at least three social workers (one of which was a social work manager). Both felt they would have benefited from more continuity.
- 5.3 One adopter had been in the process since April and has not been matched
- 5.4 Matching issues on the lines of race: one applicant said that she had been turned away from Southwark four years ago because she was the “wrong colour”, and that even now she has been ruled out of adopting a mixed race child , in a neighbouring borough, because she and her children are all white.
- 5.5 Adopters from Southwark say that there are not many mixed families in the borough and that families tended to be matched in keeping with the family's ethnicity.
- 5.6 One adopter proposed networks to support ‘black, white and mixed adoptions’.
- 5.7 The Life Story Books were criticised for taking too long to compile. One adopter reported that her child's book took over a year to put together and when it arrived it had “inappropriate language”. It also contained details of the birth mother's last name, an obvious safeguarding issue.
- 5.8 Post adoption support was seen by those who have successfully adopted as very good.
- 5.9 Training on adoption was seen as very good when delivered by people who had experience of adoption. Examples of training delivered by a woman that had her child adopted out were given.
- 5.10 One family thought that the training given by social workers was “valuable stuff” but the delivery was dry and hard to follow.

- 5.11 One adopter explained how her experience of her child's schooling exposed a need for teacher training on the needs of adopted children. She said that all schools should have a better understanding of the issues that can confront children who have been adopted. Other adopters agreed with this.
- 5.12 It was felt that the scenarios used throughout the assessment and training process were designed to put people off adopting. There was a recognition that people needed to be prepared for dealing with difficulties but one participant felt there needed to "be more balance", and a number of people recommended more stories from adopters; which are frank on the challenges and difficulties , but also spoke of the joys.
- 5.13 Social media has changed the way in which 'contact' is perceived. One adoptive parent said 'Facebook has changed everything'. Adoptive children will find it easier to track their birth parents through social media.
- 5.14 All the adopters praised support immediately after adoption, with alternate weekly visits from the child's and parents' social worker. However the three year mark can be when support drops off. Dealing with school is hard, and parents commented they found it hard to access support packages. More training of teachers on the needs of adoptive children and the type of support available was recommended.

6 Scrutiny session with representative from PAC – UK

The subcommittee had a presentation from PAC UK on meeting the educational needs of Permanently Placed children. Permanently Placed children include children who are adopted, have Special Guardianships, Residence Orders, are fostered, Looked After or otherwise permanently placed.

A scrutiny session was held with PAC UK in January 2015. Details of the session are attached the key points were as follows:

- 6.1 The sub committee had a presentation from PAC UK on meeting the educational needs of Permanently Placed children. Permanently Placed children include children who are Adopted, have Special Guardianships, Residence Orders, are Fostered, Looked After or otherwise permanently placed.
- 6.2 The presentation from PAC UK was requested following a workshop with adoptive parents. A number of attendees were members of a local adoption peer network and they raised concerns about the quality of some school's support for adoptive children and their families and the importance of this.

6.3 DfE data released in 2014 showed that at key stage 2, educational outcomes for Permanently Placed children are more similar to Looked After Children than the general population. This is likely to be because of the attachment issues caused by grief, loss and the often traumatic experiences the permanently placed children have experienced in their early lives; 70% of those adopted in 2009-10 entered care due to abuse or neglect. According to PAC-UK, even children placed at a very young age can experience significant difficulties at school, perhaps due in part to their adverse in-utero experiences.

6.4 PAC UK reported that there is a lack of recognition of permanently placed children's needs; many school staff do not understand contemporary adoption, and perceive adopted children as 'lucky', and their early experiences as things 'they won't remember'.

6.5 Permanently Placed children do attract significant funding through Pupil Premium; however families need to identify their child to the school as this is not automatic. The Policy Seminar breakout group on the review noted that schools need to be adequately equipped to deal with the stigma of adoption with awareness and sensitivity.

6.6 The Policy Seminar also emphasized the importance of regular reviews for adopted children, and regular communication between the school and the parents/carers, particularly to discuss where funding will spent. They emphasized the of empowering adopted parents to have more choices and giving them a voice in the process.

6.7 PAC –UK reported that there is often a lack of understanding about Permanently Placed children's needs; attachment is not addressed in teacher training, and few staff have thought about the impact of trauma and loss. There is a clash of culture in some instances, as the strategies which support Permanently Placed children to thrive sometimes require schools to examine their values, beliefs and behaviours at a systemic level e.g. in their approach to behaviour management.

6.8 PAC-UK explained that whereas Looked After Children have robust structures to monitor, champion and meet their needs these same Designated Teachers and Virtual Schools have no remit with permanently placed children, even though they have vital understanding about attachment and trauma.

6.9 PAC –UK recommended a whole school approach by providing training for all school staff on contemporary adoption, attachment and the impact of trauma and loss. The training offers a framework within which children's difficulties can be understood, and provides evidence-informed implementable strategies.

6.10 They also provide child-focused and school-focused systemic consultations for groups of school staff, in which schools can develop their good practice. This can

include developing supervision for school staff to manage the emotional impact of working with children with high levels of emotional needs.

6.11 PAC-UK advised that this approach can be beneficial for many of the children at school, as around 40% of children are insecurely attached to their parents or their primary care givers. A better understanding of the how to meet the emotional and learning the needs of children who have been traumatized, experienced loss or grief, or have attachment needs can improve the behaviour, academic progress and emotional wellbeing of the whole school.

6.12 Both the adoption focus group and PAC-UK spoke about the impact that difficulties at school can place upon children and families. Compared to the general population Looked After Children are eight times more likely to be permanently excluded from school and are more likely to be absent from school. The disruption and stress this causes families can be a contributory factor in placements breaking down.

6.13 PAC UK recommended identifying an Adoption Advocate within each school, in a role analogous to that of Designated Teacher. PAC-UK facilitates an Adoption Advocate Network, in which groups of committed local schools can share good practice and develop resources.

6.14 Sub-committee members noted that some schools are aware of these issues and very able to cater for children with attachment issues, suffering from trauma, or who have experienced grief or loss and this was acknowledged.

6.15 Officers commented that most Southwark children are adopted outside of the borough, so working directly with Southwark schools would not impact directly on those children, however it was agreed that improving support for Permanently Placed children in Southwark would benefit children placed locally.

6.16 At the Policy Seminar the breakout group recommended that Southwark children placed outside of the borough be supported for as long as the adopter requires. They said that the voice of adopted families should be at the heart of the adoption journey and emphasized the importance of working in partnership with adoptive parents.

6.17 The scrutiny School Survey, while only a relatively small sample, did identify Looked After Children as a priority group, however no school identified Permanently Placed children as a key group. Schools did, however, frequently identify children with emotional difficulties as a key group and a significant number had integrated emotional wellbeing, behaviour support, and therapeutic services into their school model.

7 Policy Seminar with stakeholders

On 14th April 2015 a policy seminar was held to discuss the draft report and findings with a range of stakeholders, including an adoptive parent from the peer support network “We Are Family”, committee members, adoption frontline staff and senior managers. The following range of issues were discussed:

- 7.1 A housing strategy is required for prospective adopters to provide suitable accommodation.
- 7.2 Schools need to be equipped to deal with the stigma of adoption with awareness and sensitivity. Regular reviews are needed for adopted children, and there should be regular communication between the school and the parents/carers, particularly to discuss where funding will spent.
- 7.3 Southwark children placed outside of the borough need to supported for as long as the adopter requires and their needs should be highlighted.
- 7.4 Policy should affirm the positive role of same sex and transracial adopters who were willing to take on older children.
- 7.5 The voice of children and adoptive families should be at the heart of the adoption journey. The service needs to work in partnership with adoptive parents.
- 7.6 A recommendation is needed to ensure there is ongoing engagement with adoptive parents, via mechanisms such as regular focus groups with We Are Family, for example.

8 Conclusion

The scrutiny committee valued the opportunity to discuss the changes in the adoption service and the subsequent performance information on the adoption scorecard with practitioners senior children’s services managers and adoptive families.

The adoption service has already implemented changes in the way it works as a result of this review.

Notwithstanding the ethnic diversity of Southwark, the national trend of black children being less likely to be adopted is prevalent here too. In the UK black children are three times less likely to be adopted than white children. Southwark has responded by targeting more black families to come forward to adopt. A closer look at how children’s services have adapted to culture change required to deliver the results required by the new processes of adoption is also necessary.

But there is more to do: a dialogue is needed at every level of children’s services on how we can let prospective adoptive families know that that ethnic considerations will

not prevent an otherwise good match. What matters is that Southwark is more concerned in finding loving stable homes as quickly as possible for children that come into our care.

At the time of writing this report a series of court judgments have led many Local Authorities 's to believe that law has changed with regard to adoption and consequently there are less children being put up for adoption. This view has been challenged by the Government, Martin Narey and the Association of Directors of Children's Services.ⁱⁱ

The discussion with PAC UK was also useful and supports the views of the adoptive families that met with the scrutiny committee. The committee will use the findings to inform the review on education and achievement.

It would also be useful to see what the aspirations for these children are. Scrutiny may wish to test some of this thinking

9 Recommendations

The review has highlighted many things that make Southwark adoption a positive and successful experience. However it has also provided evidence to enable the council to further improve its service.

The recommendations fall into two categories, firstly on education, and secondly on the adoption of a charter. Each of which contain measurable outcomes.

Recommendations on education

1. Ensure the needs of Permanently Placed children are highlighted to schools, alongside the training programme provided by PAC –UK
2. Link the expertise of the LAC team to local schools with Permanently Placed children.
3. Monitor the long term educational outcomes of all permanently placed children.

The Adoption Charter

Make Southwark adoption service a shining example by delivering a fast safe service, the best in the country...

- One that actively encourages people to adopt by balancing the challenges of adoption with the joys of adoption and utilizes the experiences of adoptive and birth parents to do this
- One that completes all assessments in six months and follows this up by actively matching
- One that prioritizes the timely creation of life story books with due regard to sensitivity and age appropriateness of material, particularly when dealing with difficult issues and the ability of children to track birth parents through social media
- One that is not blind to national and ethnic differences but is not transfixed by them either
- One that seeks the views of adoptive parents, and works in partnership to continually improve the quality of the service
- One that supports children and families all the way through the process, and throughout the adopted child's education
- One that puts in place provisions to support permanently placed children in schools, both in and out of borough.
- One that pioneers new forms of best practice for contact in the digital age, balancing risk with opportunity
- A service with a positive communication strategy for perspective adoptive parents, which provides some clear timelines for measurable outcomes throughout the process

10 Review contributors

Education and Children's Services Scrutiny Sub-Committee:

Elected members:

Councillor Jasmine Ali (Chair)
 Councillor Lisa Rajan (Vice-Chair)
 Councillor Evelyn Akoto
 Councillor Anne Kirby
 Councillor James Okosun
 Councillor Kath Whittam
 Councillor Kieron Williams

Education representatives:

Martin Brecknell
 Lynette Murphy-O'Dwyer
 Abdul Raheem Musa
 George Ogbonna

Scrutiny project manager

Julie Timbrell

Report author - Councillor Jasmine Ali (Chair)

With thanks to everybody who contributed evidence:

We Are Family Peer support network , and particularly Miranda Mercado Gregory, Southwark adoptive parent and founder of 'We are Family'.
 The adoptive and perspective adoptive parents who participated in the focus group

Dr Emma Gore Langton, PAC-UK

Southwark Council officers

Rory Patterson, Director, Children's Social Care
 Kerry Crichlow, Director, Strategy & Commissioning
 Alasdair Smith, Head of Service, Permanence
 Jane Tilton, Social worker, Recruitment
 Martha Clark, Advanced Practitioner , Permanence Service
 Ellen Paladini-Stone, Social Worker Permanence - Adoption
 Helen Woolgar, Practice Group Lead , Permanence - Adoption
 Kirsteen Lowrie, Experienced Practitioner

ⁱ • The latest 2011/14 Scorecard shows 9% of children leaving Southwark's care were adopted. This is a 3% improvement on the previous Scorecard.

ⁱⁱ See here for a short piece in The Guardian,

<http://www.theguardian.com/society/2014/nov/11/adoption-myth-buster-guide-numbers-fall>

and the Adoption Leadership Board's guidance on what the court judgments do and don't say:

<http://www.adcs.org.uk/download/resources/adoption/ALB%20-%20Impact%20of%20Court%20Judgments%20on%20Adoption%20-%20November%202014.pdf>

Item No. 9.	Classification: Open	Date: 21 July 2015	Meeting Name: Cabinet
Report title:		Narrowing the Achievement Gap	
Ward(s) or groups affected:		All	
From:		Education & Children's Services Scrutiny Sub-Committee	

RECOMMENDATIONS

1. That the cabinet considers the recommendations by education & children's services scrutiny sub-committee and that the relevant cabinet member brings back a report to cabinet, in order to respond to the overview and scrutiny committee, within eight weeks.

BACKGROUND INFORMATION

2. Attached is the final report arising from the scrutiny review looking at how to Narrow the Achievement Gap amongst pupils. The starting point was raising educational attainment and promoting positive outcomes for all children in the borough. This review aimed to positively impact on delivering the council plan commitments to:
 - ensure that 70% of students at every secondary school get at least 5 good GCSEs.
 - guarantee education, employment or training for every school leaver in Southwark.
3. The overview and scrutiny committee considered the sub-committee's report at its meeting on 20 May 2015. The committee welcomed the report and the valuable work of the sub-committee.

OVERVIEW & SCRUTINY COMMITTEE RECOMMENDATIONS

4. The committee's recommendations for consideration by cabinet are set out within the body of the report attached as Appendix A.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Education & Children's Services Scrutiny Sub-Committee administrative year 2014/15	Scrutiny Team 160 Tooley Street London SE1 2QH	Julie Timbrell 020 7525 0514
Link: http://moderngov.southwark.gov.uk/ieListMeetings.aspx?CId=380&Year=0		

APPENDICES

No.	Title
Appendix A	Narrowing the Achievement Gap

AUDIT TRAIL

Lead Officer	Shelley Burke, Head of Overview & Scrutiny		
Report Author	Julie Timbrell, Scrutiny Project Manager		
Version	Final		
Dated	9 July 2015		
Key Decision?	No		
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER			
Officer Title		Comments Sought	Comments included
Director of Legal Services		N/a	N/a
Strategic Director of Finance and Corporate Services		N/a	N/a
Chief Officers		N/a	N/a
Cabinet Member		N/a	N/a
Date final report sent to Constitutional Team			9 July 2015

Narrowing the Achievement Gap report

June 2015

Education and Children's Services scrutiny sub-committee

www.southwark.gov.uk



Contents

	Page
1 Introduction and background	2
2 Methodology	3
3 Context: Southwark schools, Further Education provision and the role of the Local Authority	5
4 Changes to the exam and testing regime	7
5 Achievement and provision for disadvantaged children	9
Looked After Children	10
Permanently Placed Children	13
Children from disadvantaged socio-economic & ethnic groups	15
White Working Class Children	16
Children with emotional, social or behavioral problems	19
6 Integration between schools and other services	22
7 SEND: Special Educational Needs (SEN) and Disability (D) provisions for children & young people	23
8 Lewisham Southwark College and Further Education provision	25
9 Conclusion and policy seminar feedback	27
10 Summary of recommendations	29

1. Introduction and background

- 1.1 The Education and Children's Services Scrutiny Sub-Committee decided to conduct a review on Narrowing the Attainment Gap in June 2014.
- 1.2 The starting point was raising educational attainment and promoting positive outcomes for all children in the borough. This review aimed to positively impact on delivering the council plan commitments to :
 - ensure that 70% of students at every secondary school get at least 5 good GCSEs.
 - guarantee education, employment or training for every school leaver in Southwark.
- 1.3 The sub-committee initial discussions considered the concept of 'attainment', which is presently defined as 5 'good' GCSEs, which means 5 or more GCSEs graded C – A*, including English & Mathematics. Presently 65.2% of Southwark pupils attain 5 or more good GCSEs.
- 1.4 It was noted that while some children experiencing ethnic, gender, economic, social or emotional deprivation or discrimination are underachieving because of disadvantage, other children may not gain 5 good GCSEs for other reasons, for example special educational needs. Whatever a child's ability or aptitude it is still important to ensure that all children progress and reach their potential.
- 1.5 The Headteachers' Executive recommended focusing on achievement – which encompasses 'progress' and 'attainment'. They particularly advised this given the changes underway to the testing and exam regime, which is moving to 'norm' referencing rather than 'criterion' referencing. This means the grade attainment of children will remain a constant proportion of the overall cohort. They also said that many schools invest heavily in all their children and as a result children with significant disadvantages or challenges do make progress, and they would like this to be fully recognized.
- 1.6 The sub-committee was clear that attainment must remain an important focus, given its importance to children's educational, career and life chances, and that narrowing the attainment gap between disadvantaged groups is vital to tackling inequality and deprivation. However the sub-committee also wanted to ensure that the bottom 30% is equally well catered for and able to realise their full potential, and have access to a range of opportunities to progress.
- 1.7 The sub-committee particularly examined the provision for children at risk of poor educational and employment outcomes, including Looked After Children, Permanently Placed children, children experiencing particular ethnic and socioeconomic disadvantage, children & young people with emotional, social or behaviour problems and children & young people with special educational needs (SEN).

- 1.8 The review reframed its focus to look at the broader concept of 'Achievement' in schools. The report looks at how schools, and the wider system, can narrow the *attainment* gap between the most disadvantaged pupils and their counterparts; while ensuring that all children *progress* and reach their full potential, particularly those with special needs.

2 Methodology

- 2.1 The sub-committee used a variety of methods to gather evidence including officer reports; a survey of schools on attainment; a survey of school leaders on integration, a school field visit; a report and presentation from Lewisham Southwark College; engagement with the Headteachers' Executive; evidence from Southwark Youth Council; research papers on BME achievement; research & presentations on raising the attainment of white working class children; and a presentation from an organization working to support the educational needs of Permanently Placed children.
- 2.2 Officers provided reports on the following:
- Overview of Children in Care
 - Schools performance update
 - 16 Plus Progression and Performance
 - Changes to the curriculum and the exam and testing regime – with specific reference to its impact on disadvantaged & less academically inclined young people
 - A detailed report on the performance of children in care and the current education, training and employment support given.
 - A report on the Special Educational Needs (SEN) and Disability (D) provisions (SEND) which came into force on 1st September
- 2.3 Southwark Youth Council attended to give their views on the review.
- 2.4 Members of the sub-committee attended a meeting of the Headteacher's Executive to discuss the review.
- 2.5 The Annual Headteachers' Executive Conference was attended, including a presentation by Professor Steve Strand on White Working Class British and Minority Groups. The following papers by Steven Strand were then circulated:
- BERA Insight Ethnic Achievement
 - The White British–Black Caribbean achievement gap: tests, tiers & teacher expectations
- 2.6 Further research on White Working Class achievement was then considered:
- A Select Report: Underachievement in Education by White Working Class Children

- A research report and presentation from Lambeth Council : White Working Class Achievement – A study of barriers to Learning in Schools by Feyisa Demie and Kirston Lewis
- A research proposal and presentation from education researchers Edna Mathieson and Peter Chester, who along with others, set up the Southwark Community Education Council and the 'Widening Horizons' outpost at the London School of Economics for Southwark young people.

- 2.7 A report and presentation was received from Lewisham Southwark College
- 2.8 A survey looking at how schools closed the achievement gap was sent to the 103 Southwark Secondary, Primary, Nursery and Special Schools. 17 schools responded.
- 2.9 A survey was handed out to attendees at the Headteachers' Executive conference asking about the impact of the wider social determinates of well-being on children's academic progress . This asked for examples of good and poor integration. Two responses were received.
- 2.10 A field visit was undertaken to Bacon's College to look at their work integrating therapeutic services so they contribute to the emotional wellbeing of the whole school.
- 2.11 A Policy Seminar was held on 14 April 2015 to discuss the findings of an earlier draft of this report, and other reports by the sub committee. This event was well attended by senior teachers, parent governors , senior managers, education officers and researchers.

3 Context: Southwark schools, Further Education provision and the role of the Local Authority.

Local Authority and Schools

- 3.1 The role of the Local Authority in education has decreased over the last several years. There is now an increasingly autonomous school system, with rising numbers of Free Schools and Academies, and more power delegated to Maintained Schools. The introduction of Pupil Premium is the main method by which the achievement gap is narrowed for disadvantaged children.
- 3.2 The council still maintains key responsibilities and its statutory responsibilities include duties to secure sufficient places, assist parents in finding a school place of their choice, tackling underperformance, ensuring the education of Looked After Children (LAC) and identifying and supporting children with special educational needs (SEN). The council provides support to schools through the early help, special education, and school improvement teams – for example in addressing poor attendance, education for excluded children and for Looked After Children.

School Provision – overview

- 3.3 There are 103 Southwark schools: 72 primaries, 18 secondary, 8 special and 5 nursery schools.
- 3.4 Most of the primary schools are maintained by the local authority with 6 academies (Dulwich Hamlet Junior, Globe, Goose Green, Harris Peckham Park, Redriff, John Donne) and 3 free schools (Southwark Free School, Judith Kerr, Harris Peckham).
- 3.5 Most of Southwark's secondary schools are Academies, some stand alone and others part of Academy chains: Harris Academies sponsor four schools; Ark two schools, the Church of England two schools and the Catholic Church two schools. There are also three voluntary aided & council maintained Church of England & Roman Catholic schools and one Free school, which has recently opened.

Overview of School Performance – current attainment and progress

- 3.6 We have generally high achieving Southwark Schools.

Primary

- 3.7 *Attainment* At Key Stage 2 (year 6 primary school) Southwark schools are above the national average with 77 % of pupils achieving level 4 in English and Mathematics combined. Southwark schools are in the top quartile nationally for reading, maths and the new grammar punctuation and spelling tests.

- 3.8 *Progress* Children at KS2 are expected to make 2 levels of progress from the end of Year 2 to end of Year 6. In 2013 91% (88%) pupils achieved expected progress in reading, 93% (92%) writing and 91% (88%) in Mathematics. This puts Southwark in the top quartile for progress levels, out performing national average, as shown in brackets.

Secondary

- 3.9 *Attainment* 65.2% of pupils attained 5 or more good GCSE (A* - C grades at GCSE including Mathematics & English), an improvement of 6.4 percentage points from 2012 (58.5%). Results have significantly improved over the last two years and are now above National Average (60.8) and slightly above London (65.1%)
- 3.10 *Progress* 78.3% of pupils made the expected progress between KS2 (end of Year 6) and GCSE's in Mathematics (a 3.2 percentage point increase on 2012) and 80.1% in English (a 5.1% percentage point increase on 2012). This places Southwark above national average and statistical neighbours.

Further Education provision

- 3.11 The committee did not examine the provision and performance of local 6th form colleges in depth, however it did consider the Further Education provision that young people not on an academic pathway would access. Children with Special Education Needs are more likely to access this provision.
- 3.12 There were concern with the diversity and adequacy of the local offer post 16 for children not on an academic pathway. Most local 6th form colleges do not offer vocational courses as they do not have the facilities. The largest local provider of vocational courses, Lewisham Southwark College (formally LeSoCo) has been judged inadequate overall, although with pockets of good performance, and the college was invited to submit a report and attend a meeting. There are some other alternatives: the local Independent Specialist College, Orchard Hill, is judged 'outstanding' and NASH is judged 'good'. Bromley College is judged 'good' and all are used by local young people.

4 Changes to the exam and testing regime

- 4.1 The government has changed the secondary examination and testing regime. The following changes will be delivered through a three year implementation programme which began with the National Curriculum in 2014 and will be followed by progressive implementation of new GCSEs and A' levels in 2015/16/17.
- 4.2 The key changes are:
- GCSE will remain as the level 2 standard but will be completely revised.
 - At 16 performance will be judged on Students' achievement across eight subjects
 - GCSES will be graded using to 'norm' referencing rather than 'criteria' referencing
 - There will be a significant reduction in number of qualifications.
 - Vocational and work-based learning will be re-defined around applied and tech level routes for 16-19 year olds.

GCSES and Key stage 4

- 4.3 GCSES from Sept 2015 very much resemble the old O level qualifications. Assessment will be at the end of the two year course (May or June of year 11) and will be assessed through written examinations that are externally marked by the exam boards.
- 4.4 Grading will be numerical 1 to 9 with 9 being the highest grade and an 'ungraded' level. No decision has yet been made as to where the "pass" (currently C or above) boundary will be set.
- 4.5 There will be four measures of performance :
- Students' progress across eight subjects between Key Stage 2 and Key Stage This will show how they have performed and the average of all students' progress will create the school's result. This will be called the *Progress 8* measure.
 - The school's average grade across the same suite of eight subjects. This will be called the *Attainment 8* measure.
 - The percentage of students achieving a pass grade or higher in English and Maths
 - The percentage of students gaining the EBacc, which will continue in its current form.
- 4.6 GCSES will be graded using to 'norm' referencing rather than 'criterion' referencing. This means the attainment of children will remain a constant proportion of the overall cohort. In a criterion-referencing system work of a certain standard gets the same grade every year, whereas in a norm-

referenced system the number of candidates gaining each grade is kept the same each year, even if their performance is improving.

- 4.7 The Headteachers' Executive advised that given the move to norm referencing, and the importance of judging schools on their performance in enabling all children to reaching their potential, that it is increasingly important that the schools are judged on both progress and attainment. They suggested that the council updates its aim to reflect this.

Recommendation 1

The exam and testing regime is changing along with the measure of attainment. When the council updates its council plan to reflect these changes it is recommended that new targets are set using both Attainment 8 and Progress 8 to measure school performance.

5 Achievement and provision for disadvantaged children

Pupil Premium

- 5.1 Pupil Premium is the main method by which schools are given additional money to ensure the achievement gap is narrowed for disadvantaged children.
- 5.2 Schools receive the funding for each child registered as eligible for free school meals at any point in the last 6 years.
- 5.3 Children who have been in local-authority care for 1 day or more also attract £1,900 of pupil premium funding. Funding for these pupils does not go to their school; instead it goes to the virtual school head (VSH) in the Local Authority that looks after the child.
- 5.4 Schools also receive directly a higher rate for each pupil who has left Local Authority care because of one of the following:
 - adoption
 - a special guardianship order
 - a child arrangements order
 - a residence order

Narrowing the Attainment Gap School Survey

- 5.5 17 schools completed the survey: one nursery school, 11 primary schools, 4 secondary schools and one special school.
- 5.6 They were asked 6 questions:
 - I. What are the key groups of pupils needing extra help that your school has identified?
 - II. What are the gap(s) in achievement that you are you trying to narrow?
 - III. What specific options have been identified to improve attainment for each group of pupils and what has been achieved?
 - IV. What evidence do you have that outcomes have improved?
 - V. How are you using the Pupil Premium for each disadvantaged child to improve attainment?
 - VI. How can your school contribute to Southwark Council's commitment to guarantee education, employment or training for every school leaver in Southwark?
- 5.7 Schools identified the following children as the key groups needing extra help, listed in approximate order of number of times mentioned:
 - o White British children, particularly: boys, those with poor language skills, challenging behavior, poor attendance, apathy/ low aspirations.
 - o Black Caribbean children
 - o Pupils with social and emotional difficulties
 - o Pupils with special needs / SEND

- o Children on Free School Meals / economically disadvantaged
- o Children who need to learn English as an Additional Language (EAL), particularly those children from single parent households and/ or with emotional & social needs
- o Looked After Children- on a Care Plan or a Child in Need
- o More able children
- o Travelers
- o Young carers
- o Asylum seekers / refugees/ Children with no recourse to public funds

5.8 Schools said they were using a range of methods to narrow the gaps in achievement , these included:

- o Use of classroom and school data
- o Improving school teaching
- o Individualised learning plans making use of data with targeted interventions – often in a cycle of 6 weeks
- o Learning mentors to enable children to overcome blocks to learning, obtain study skills, build confidence and aspirations
- o EAL classes
- o Targeted Homework clubs, Saturday and Holiday classes
- o One on one support for children with SEND
- o Additional support for English and Maths (particularly English)
- o Expert teacher behavior support
- o In school counselling, buying in CAMHS , art psycho-therapy and therapeutic storytelling
- o Development of emotional, social , motivational and study skills
- o Whole school emotional, social and behaviour interventions
- o Enrichment activities – art, trips, music etc.
- o Links with business and careers advice
- o Work with parents to support their child's study at home, parenting programmes, parental literacy classes, initiatives to promote parental involvement with school.
- o Interventions to deal with absence
- o Work to address social issues affecting children
- o Programmes to enable carers to study at home

5.9 The sub-committee looked at the needs of for five groups in more depth: Looked After Children, Permanently Placed Children, Children from disadvantaged socioeconomic and ethnic groups, White Working Class Children and children with emotional, social or behavioral problems.

Looked After Children (LAC)

5.10 Southwark has a dedicated Looked After Children (LAC) Education Team that exists to support the highest possible education outcomes for Southwark's looked after children. Southwark's LAC Education Team builds relationships with schools, social workers, carers and multi-agency professionals. Working collaboratively in multi-agency contexts, the team maintains a focus on the educational needs and aspirations of the looked after child. Education

Advisors hold schools to account for pupils' education attainment and progress.

- 5.11 Southwark is a diverse borough and has a relatively high number of looked after children compared with other boroughs. Southwark had 339 children on the LAC Education School list in 2013/14 and 263 children continuously in care for 12 months. 60% of children attend schools out of the borough.
- 5.12 Most pupils enter care at low starting points. Depressed attainment levels on entry to care may be attributable to (i) pupils missing education (ii) care histories (iii) the impact of coming into care (iv) the weighting of this cohort towards special educational needs.
- 5.13 The national incidence of all statemented pupils is 2.8%. According to DfE published data, the Southwark LAC incidence is 34.6%, higher than London LAC (29.6%) and England LAC (28.5%).

Attainment of Looked after Children at Key Stage 2 (Year 6 end of Primary)

- 5.14 Attainment. 2012/13, fifteen Southwark pupils were included in the DfE measure of LAC KS2 attainment making meaningful interpretation problematic given each Southwark pupil is worth over 6%. Southwark LAC performed lower than London LAC (percentage gaps: reading 1, writing 12, GPS 5, maths 12). The attainment gap with all Southwark pupils remains relatively similar at 16% for reading and 30% for maths.
- 5.15 Progress. 85% of the Southwark LAC cohort achieved 2 levels of progress in reading, 75% in writing and 81% in maths.

Key Stage 2 outcomes, DfE published data 2010/11 to 2012/13 (attainment ?)

	2010/11	2011/12	2012/13				
	Southwark LAC	Southwark LAC	Southwark LAC	All England LAC	London LAC	ALL Southwark	Gap with ALL Southwark (%)
No of eligible pupils	10	15	15	2290	290	2736	
L4+ English/reading	x	71%	71%	63%	72%	87%	-16
L4+ writing	N/A	71%	57%	55%	69%	84%	-27
L4+ GPS*	N/A	N/A	50%	45%	55%	78%	-28
L4+ maths	x	57%	57%	59%	69%	87%	-30
	Exceeding LAC national average						

Attainment and Progress of Children at Key Stage 4 (GCSE)

- 5.16 In 2012/13, 26.7 %. of Looked After Children (LAC) achieved 5 good GCSE's Outcomes for Southwark LAC in all key attainment measures are higher than outcomes for all England LAC and all London LAC. Since 2009, attainment in English and Maths at GCSE grades A* to C has risen year on year.
- 5.17 Southwark LAC attending secondary schools in Southwark achieved higher than the 60% of children who attend schools outside of the authority. Pupils that are placed out of borough are furthest adrift from age-related expectation. Here the attainment gap increased to only 23.1% attaining 5 good GCSEs.
- 5.18 Years 10 and 11 represent the largest group of newly-looked after young people and here the gap with age-related expectation is greatest. Looked After Children are placed out of borough as more specialist foster care placements are sought to manage most complex needs.

Key Stage 4 outcomes, DfE published data 2010/11 to 2012/13

	2010/11	2011/12	2012/13				
	Southwark LAC	Southwark LAC	Southwark LAC	All England LAC	London LAC	ALL Southwark	Gap with ALL Southwark (%)
No of eligible pupils	40	30	45	4870	790	2346	
5+ GCSE A* - C	50%	31%	42.2%	36.6%	38.9%	85.1%	-42.9
5+ GCSE A* - C inc Eng & ma	26.2%	x	26.7%	15.3%	20.8%	65.2%	-38.5
A-C Eng & ma	26.2%	x	28.9%	16.1%	21.9%	66.7%	-37.8
	Exceeding England LAC and London LAC outcomes						

- 5.19 The sub-committee discussions with officers highlighted the better outcomes for the 40% of LAC children educated in Southwark and concerns with the adverse impact caused on a child's education when they are moved out of

the borough. Officers acknowledge this and said they were seeking more local foster placements for more challenging young people, however there will also be a few children that need to be moved out of the borough for their safety.

Recommendation 2

Continue to prioritize finding more local foster & care placements, particularly when it is needed most at year 10 & 11, given the adverse impact moving has on a child's education.

Permanently Placed Children

- 5.20 The sub committee had a presentation from PAC UK on meeting the educational needs of Permanently Placed children. Permanently Placed children include children who are Adopted, have Special Guardianships, Residence Orders, are Fostered, Looked After or otherwise permanently placed.
- 5.21 The presentation from PAC UK was requested following a workshop with adoptive parents. A number of attendees were members of a local adoption peer network and they raised concerns about the quality of some school's support for adoptive children and their families and the importance of this.
- 5.22 DfE data released in 2014 showed that at key stage 2, educational outcomes for Permanently Placed children are more similar to Looked After Children than the general population. This is likely to be because of the attachment issues caused by grief, loss and the often traumatic experiences the permanently placed children have experienced in their early lives; 70% of those adopted in 2009-10 entered care due to abuse or neglect. According to PAC-UK, even children placed at a very young age can experience significant difficulties at school, perhaps due in part to their adverse in-utero experiences.
- 5.23 PAC UK reported that there is a lack of recognition of permanently placed children's needs; many school staff do not understand contemporary adoption, and perceive adopted children as 'lucky', and their early experiences as things 'they won't remember'.
- 5.24 Permanently Placed children do attract significant funding through Pupil Premium; however families need to identify their child to the school as this is not automatic. The Policy Seminar breakout group on the review noted that schools need to be adequately equipped to deal with the stigma of adoption with awareness and sensitivity.
- 5.25 The Policy Seminar also emphasized the importance of regular reviews for adopted children, and regular communication between the school and the

parents/carers, particularly to discuss where funding will spent. They emphasized the of empowering adopted parents to have more choices and giving them a voice in the process.

- 5.26 PAC –UK reported that there is often a lack of understanding about Permanently Placed children's needs; attachment is not addressed in teacher training, and few staff have thought about the impact of trauma and loss. There is a clash of culture in some instances, as the strategies which support Permanently Placed children to thrive sometimes require schools to examine their values, beliefs and behaviours at a systemic level e.g. in their approach to behaviour management.
- 5.27 PAC-UK explained that whereas Looked After Children have robust structures to monitor, champion and meet their needs these same Designated Teachers and Virtual Schools have no remit with permanently placed children, even though they have vital understanding about attachment and trauma.
- 5.28 PAC –UK recommended a whole school approach by providing training for all school staff on contemporary adoption, attachment and the impact of trauma and loss. The training offers a framework within which children's difficulties can be understood, and provides evidence-informed implementable strategies.
- 5.29 They also provide child-focused and school-focused systemic consultations for groups of school staff, in which schools can develop their good practice. This can include developing supervision for school staff to manage the emotional impact of working with children with high levels of emotional needs.
- 5.30 PAC-UK advised that this approach can be beneficial for many of the children at school, as around 40% of children are insecurely attached to their parents or their primary care givers. A better understanding of the how to meet the emotional and learning the needs of children who have been traumatized, experienced loss or grief, or have attachment needs can improve the behavior, academic progress and emotional wellbeing of the whole school.
- 5.31 Both the adoption focus group and PAC-UK spoke about the impact that difficulties at school can place upon children and families. Compared to the general population Looked After Children are eight timesⁱ more likely to be permanently excluded from school and are more likely to be absent from school. The disruption and stress this causes families can be a contributory factor in placements breaking down.
- 5.32 PAC UK recommended identifying an Adoption Advocate within each school, in a role analogous to that of Designated Teacher. PAC-UK facilitates an Adoption Advocate Network, in which groups of committed local schools can share good practice and develop resources.
- 5.33 Sub-committee members noted that some schools are aware of these issues and very able to cater for children with attachment issues, suffering from trauma, or who have experienced grief or loss and this was acknowledged.

- 5.34 Officers commented that most Southwark children are adopted outside of the borough, so working directly with Southwark schools would not impact directly on those children, however it was agreed that improving support for Permanently Placed children in Southwark would benefit children placed locally.
- 5.35 At the Policy Seminar the breakout group recommended that Southwark children placed outside of the borough be supported for as long as the adopter requires. They said that the voice of adopted families should be at the heart of the adoption journey and emphasized the importance of working in partnership with adoptive parents.
- 5.36 The scrutiny School Survey, while only a relatively small sample, did identify Looked After Children as a priority group, however no school identified Permanently Placed children as a key group. Schools did, however, frequently identify children with emotional difficulties as a key group and a significant number had integrated emotional wellbeing, behavior support, and therapeutic services into their school model.

Recommendation 3 & 4

Ensure the needs of Permanently Placed children are highlighted to schools, alongside the training programme provided by PAC –UK

Link the expertise of the LAC team to local schools with Permanently Placed children.

Children from disadvantaged socio-economic & ethnic groups

- 5.37 Officers provided data on different ethnic groups achievement

% achieving 5 or more GCSEs at grade A*-C including English & maths

Ethnic Group	2012			2013		
	LA	National	Difference	LA	National	Difference
White	54.6	58.7	-4.1	61.4	60.4	1.0
Mixed	61.1	60.0	1.1	68.2	62.7	5.5
Asian	69.8	63.4	6.4	67.2	64.9	2.3
Black	59.2	55.3	3.9	65.8	58.7	7.1
Chinese	78.6	78.8	-0.2	81.8	80.1	1.7
All Pupils	58.8	59.1	-0.3	65.2	60.8	4.4

- 5.38 The lowest achieving groups are White and Black children, however this data does not account for socio-economic status.

- 5.39 The committee received evidence from Professor Steve Strand. His study explored the size of ethnic, gender and social class gaps in achievement at age 14 and asked what factors might account for ethnic achievement gaps.
- 5.40 He found that primarily policy needs to focus on social-economic deprivation and that for most minority groups, high levels of socio-economic deprivation can account for the achievement gaps. He welcomed Pupil Premium. However his research found that Black Caribbean students are distinctive, since socio-economic status (SES) can not account for their achievement gap and they are the only ethnic group making less progress than White British students aged 11-14. This was also true of relatively advantaged Black Caribbean students, particularly boys.
- 5.41 He identified that Black Caribbean students were systematically under-represented in entry to the higher tiers of national tests at age 14 and this could not be accounted for by prior achievement or a wide range of other factors.
- 5.42 He also identified problematic school discipline trends for Black Caribbean students and wrote that it is well established that the odds of Black Caribbean students being permanently excluded from school are twice as high as the odds for White British students, and that the odds of Black Caribbean students being statemented or at School Action Plus for Behavioural, Emotional and Social Difficulties (BESD) are 2.3 times higher than for White British students.
- 5.43 Professor Steve Strand therefor recommended that schools should monitor and review ethnic patterns in disciplinary actions and the ethnic composition of sets and tiers of entry to GCSE examinations.

White Working Class Children

- 5.44 The other group Steve Strand recommended paying particularly attention to was White working Class pupils, girls as well as boys.
- 5.45 The sub-committee considered a recent Select Committee report on the 'Underachievement in Education by White Working Class Children'. The report referred to recent finding by Ofsted which identified that White British children eligible for free school meals are now the lowest-performing children at age 16, with only 31% of this group achieving five or more good GCSEs.
- 5.46 The sub committee went on to consider research conducted by Lambeth Council on White Working Class Achievement, and local education researchers, Edna Mathieson and Peter Chester, who set up Southwark Community Education Council (SCEC), a supplementary education charity which provides additional support to local children and, their parents.
- 5.47 The sub-committee heard that the attainment of White British pupils is polarized by social class to a greater extent than any other ethnic group. White British pupils from managerial and professional homes are one of the

highest attaining groups, while White British pupils from working class homes are the lowest attaining group.ⁱⁱ

- 5.48 The research by Lambeth Council was considered to be particularly applicable as the demographic is so similar to the borough of Southwark. It was conducted in 2010 and based upon 16 Lambeth schools. The study examined data and used proven research methodologies to explore the view of pupils, teachers, parents, headteachers, and governors. The report confirmed the under achievement of white working class children and identified the following as key issues: A Lack of parental aspiration, A lack of engagement with children's schooling, Marginalisation and a perceived loss of culture, The impact of poverty on white working class children's achievement, The impact of unsuitable housing stock on achievement, Low literacy levels and language deprivation, and a lack of targeted support.
- 5.49 The Lambeth Council research and the educational researchers evidence particularly highlighted that white working class parents often do not see their pivotal role as educators and the importance of their engagement with their child's education , and this can be compounded by parents own poor literacy and language and past poor experiences in school. Therefor they consider work with parents to be very important.
- 5.50 Sub-committee members highlighted the importance of aspiration, particularly given how changes to the global economy have adversely impacted on what was the traditional white working class – there are now few secure, reasonably well paid, low or semi skilled jobs.
- 5.51 Sub-committee members also highlighted the importance of targeted language support for white working class children and adult education literacy classes for parents. This is different than the extensive provision of English as an Additional language (EAL) by schools for children whose first language is not English. The research noted that children accessing this can by year 6 have a better grasp of English than their white working class peers as they have had the advantage of a wider vocabulary in their mother tongue to draw upon and so a richer language heritage.
- 5.52 The researchers further noted the importance of cultural transmission and that 'Education cannot compensate for society'ⁱⁱⁱ . They quoted Professor Mongon on the importance of a holistic approach to addressing the problem of working class underachievement:
- "it's not single factors which make a difference, but as many contributors to the success of children from low income families as possible.....child, family, school, neighbourhood, community....having people around them that believe in them, encourage them, challenge them, support them."*
- 5.53 The education researchers advised that the research report produced by Demie and Lewis provides an invaluable blueprint which Southwark could utilise as a point of departure to conduct further research. They highlighted the following recommendations, noting that many of these points are already enshrined in Southwark's policies and practices:

- strong and inspirational leadership by the headteachers;
- sustained high levels of expectation for all pupils, parents and teachers;
- the promotion of an inclusive curriculum, which raises aspirations and, importantly, meets the needs of white working class pupils (and their parents);
- development and maintenance of close links with parents and increasing community support, which earns the schools the trust and respect of parents;
- effective use of data and rigorous monitoring systems which track individual pupil performance;
- good and well targeted support for white working class pupils through extensive use of teaching assistants and learning mentors;
- critically, sustained and continuous effective support for language development amongst white working class pupils;
- co-ordinated support for the transition between primary and secondary sectors;
- celebration of cultural diversity, including working class culture, and a strong commitment to equal opportunities.

5.54 The education researchers , Edna Mathieson and Peter Chester recommended that the Local Education Authority and the corresponding services of Southwark Council together seriously address the under achievement of White Working Class students . As part of this Pupil Premium could be a valuable funding option. They offered to conduct a research project free of charge.

Recommendations 5 & 6

- 5 Bring the research of Lambeth Council, and the Southwark Education Community School education researchers insights, on white working class attainment to the attention of local schools through the education department and the Headteachers' Executive.
- 6 Assist schools in improving the provision for low income and deprived parents, in recognition of their pivotal role in children's education, particularly in areas where there is a high disparity of wealth. In particular take measures to assist schools engage parents, and improve the provision of parental literacy classes and community education. Take steps to assist families in housing need, especially the needs of displaced children whose families have had to move to access housing.

Children with emotional, social or behavioral problems

5.55 Children with emotional and social problems were consistently flagged as a group in need by the survey, and sometimes as another vulnerability alongside social disadvantage, such as being white working class , or needing to learn English as an Additional Language, or having no recourse to public funds. Challenging behavior, poor attendance, apathy or lack of engagement or aspiration was another linked theme.

5.56 These were popular interventions to address these issues:

- Individualised learning plans making use of data with targeted interventions – often a cycle of 6 weeks
- Learning mentors to enable children to overcome blocks to learning obtain study skills, build confidence and aspirations
- Expert teacher behavior support
- In school counseling, buying in CAMHS, using the services of Place2Be, art psycho-therapy and therapeutic storytelling
- Development of emotional, social, motivational and study skills
- Whole school emotional, social and behaviour interventions
- Work to address social issues affecting children
- Enrichment activities – art, trips, music etc.

Bacon's College – Case study

5.57 Two fields visits were made to Bacon's College to review their Student Services; Student Services uses therapeutic and targeted interventions to address the social, emotional and mental health needs of the most disadvantaged students who attend the college so that students are supported to thrive academically and personally.

5.58 There is a large dedicated team led by assistant head Norma Gould, who is both a qualified counsellor and trained teacher. The staff team includes professional counsellors, a Parent Support & Attendance officer, and a trained social worker who takes on the role of Family Support & Child Protection officer, a range of mentors, including an academic mentor, and a Personal Wellbeing / PSHE Coordinator who leads the Emotional Wellbeing programme. The team is supported by a full time administrator. Students Services works closely with the Heads of Key Stage 3, 4 and 5 and with the pastoral teams they lead.

5.59 415 students received some form of targeted intervention from the Student Services team between September 2013 and July 2014. The figure of 415 students represents about 38% of the College's cohort, meaning two in every five of Bacon's College students have received support from the Student Services team last academic year.

5.60 Student Services work in a number of ways. One of the most important is through a cycle of weekly meetings of the Integrated Support Panel ('ISP') for those children most at risk, about one in ten or 12% of the total cohort. This meeting ensures that the Key Stage Assistant Headteachers along with

members of their pastoral teams meet with Student Services and SEND staff to plan and review the interventions provided for these students.

- 5.61 Counselling is provided to about 10% of students, and this cohort includes a significant number of socially disadvantaged students and children with SEN
- 5.62 Other interventions included pastoral or academic mentoring, integration (for students new to the college) and reintegration programmes for those who have been placed temporarily in alternative provision, targeted attendance work, and individual personal development coaching with sixth-form students.
- 5.63 There are also a range of group provisions included the targeted group programmes provided to different subsets of students including the Mentivation Young Leaders' workshops (Year 7–10 boys), the 'Aiming High' Identity workshops (for students who are able but underachieving) and the Personal Development workshop programme for students in the Sixth Form.
- 5.64 There is a successful Peer Mediation service delivered by 6th formers who are trained and supervised by Southwark Mediation Service.
- 5.65 The school undertakes a range of more extensive safeguarding work with around 63 children. A qualified social worker has recently been appointed to this role and this work involves meeting with young people and their parents in most cases, with a number being referred to a range of specialist agencies including Southwark and Lewisham CSC (Children's Social Care), Child Exploitation and Online Protection (CEOP), the Specialist Family Focus team (SFFT), the Families First team (FFT), Child and Adolescent Mental Health Services (CAMHS) and the Early Help Service (EHS).
- 5.66 The school is proactive around Child Sexual Exploitation, social media and young people at risk of gang involvement.
- 5.67 The school reported that the expectations for schools around safeguarding have increased significantly, with schools expected to be more vigilant and proactive. In addition the Principal, John Martin, reported that more children are presenting with social, emotional and behavioural problems.
- 5.68 The assistant headteacher has written about the role of schools in helping young people navigate the complexities of adolescence and the positive role integrated therapeutic services can play in creating a school that is more able to respond to the educational and developmental needs of students.^{iv}
- 5.69 The Principal emphasized the importance of emotional wellbeing as a core value for the school as this provides the safety that children need in order to be able to learn. He evidenced the significant increase in attendance, improvement in behaviour and better rates of academic progress as demonstrating the Student Services programmes contribution to pupils' educational success.

Recommendation 7

Promote Bacon's College good practice in providing a whole school approach to wellbeing and use of therapeutic and targeted interventions to address the social, emotional and mental health needs of the most disadvantaged students, particularly to ensure the bottom 20% make good progress.

6 Integration between schools and other services

- 6.1 The sub-committee sought out evidence of the quality of integration between schools with council, health and other services by raising this with the Headteachers' Executive at meetings, at their conference through a questionnaire and on the field visit to Bacon's College. Pupil Premium is the main method by which schools are given additional money to ensure the achievement gap is narrowed for disadvantaged children.
- 6.2 The support given by the Local Authority education department team of advisors was praised and considered effective.
- 6.3 The school nurse provision was also praised by both Bacon's College and a survey respondent. It was described as effective and praised for utilizing a simple geographical model with clear communication with schools.
- 6.4 Parental services were also praised and it was noted that if one parent accesses this service then this has a good ripple effect with other parents at the school; there was a call for more positive parenting strategies.
- 6.5 Communication between social care and schools was picked up as an area of concern by both Bacon's College and a survey respondent. Changes to local social care delivery was reported as having caused disruption, however officers said the move to cluster arrangements would improve local communication between social work teams and schools. Communication with social workers was described as 'inconsistent' and 'variable' – sometimes it could be good, but was not always reliable and Bacon's College reported that on occasions the school was not informed of important issues impacting on pupils.
- 6.6 Communication with CAMHS was also picked up as an area of concern. A survey respondent said there were 'too many social workers and CAMHS workers to be dealt with for children / SENCO / Leaders in schools'. Norma Gold recommended that there was a dedicated link person so relationships could be established between CAMHS and schools. This was so trust and understanding could be built up, particularly around referrals.
- 6.7 Concerns were raised about access to adequate social work and CAMHS, with both survey respondents raising concerns that not all families were receiving the quality social and family support they needed.

- 6.8 Concerns were also raised that children needed to reach a very high threshold to receive support from CAMHS, which was described as 'decimated' by recent cuts. The sub-committee heard in a presentation on Child Health Services that there is a concern about the top tier of Child & Adolescent Mental Health Services (CAMHS) nationally and that there was a big demand locally for pediatric acute mental health crisis beds, with children having to access beds outside of London on occasions. The sub-committee heard evidence from the NHS Southwark's Clinical Commissioning Board (CCG) that there is a growing pressure nationally & locally and the CCG is seeing an increase in demand since the changes in commissioning. The CCG are conducting an analysis into why this is happening.
- 6.9 The recently published report 'Future in mind: Promoting, protecting and improving our children and young people's mental health and wellbeing' concluded that there is emerging evidence of rising need in key groups. Services are seeing increasing rates of young women with emotional problems and young people presenting with self-harm. The report's data and audits reveal increases in referrals and waiting times, and this was particularly true for vulnerable children and families. The report said that providers are reporting increased complexity and severity of presenting problems. Changes to commissioning and the lack of clarity and accountability for child mental health service were cited as a problem. Following the reports publication the recent government budget allocated £1.25bn money to mental health to improve provision for young people. ^v
- 6.10 The need for better communication between schools and the Police, Housing, Probations Service was also highlighted by schools, with families waiting years for resolution of visa problems and housing issues.
- 6.11 Survey respondents advised that CAMHS and Social Workers be based in schools to deal with the small but significant number of children who need these services. Some schools (such as Bacon's College – see above case study) and respondents to the school survey had taken steps to provide some counseling, therapy and social work provision in-house.

Recommendations 8, 9 & 10

8 Improve communication by Social Work teams with schools by ensuring that schools have a consistent link. Look at the deployment of school nurses as an example of good practice – schools praised the simple geographical model and clear communication lines.

9 Improve communication between schools, Housing, Probation Services and the Police.

10 Invest in further provision of CAMHSs and ensure that there is one consistent CAMHS link person for every school.

7 SEND: Special Educational Needs (SEN) and Disability (D) provisions for children & young people

7.1 The Special Educational Needs (SEN) and Disability (D) provisions (SEND) set out in Part 3 of the Children and Families Act 2014, came into force on 1st September 2014. This legislation represents the biggest change in SEND legislation for 30 years. The reforms extend provision from birth to 25 years of age and extend rights and protections to young people by introducing a new Education, Health and Care plan replacing SEN statements. Professionals will also provide more tailored support to families, providing help and assistance as appropriate and relevant to needs. The main changes are

- To place families, parents and young people at the heart of the changes using a 'person centered' approach;
- A co-ordinated assessment leading to an outcome focused integrated Education, Health and Care Plan (EHCP) from 0-25 years;
- An EHCP that offers statutory protection for the provision identified and redress to the SEND tribunal from 0-25.
- Jointly commissioned services between the Local Authority (education, social care adults and children's) and health;
- A Local Offer setting out all services available to families, children, parents and young people with SEND from 0-25 and how services are accessed across Education, Health and Social Care.
- The right to request a personal budget for services identified in the EHCP, extending choice and control;
- Bringing all schools, nurseries and Further Education providers under the same SEND legislation and responsibilities (including academies and free schools)
- Increased access to information, advice and support for parents, carers and young people aged 0-25.

The Education, Health & Care Plan (EHCP) and the Local Offer

7.2 The SEN team has designed a new assessment process and EHC plan, in conjunction with social care and health colleagues. 43 consultation sessions were held with parents, carers and young people, involving 513 consultees providing input to the development of the EHC plan and the content of the Local Offer; however concerns were raised that parents and carers in work had not had sufficient opportunity to contribute.

7.3 To date 22 EHC Plans have been finalised within the 20 week period, and 31 are at the last stage of finalisation. Thirty three plans are in the co-production stage. Officers reported that initial feedback from parents on the new process is very positive.

7.4 In addition to the new process, the Local Authority must transfer all existing statements to EHCPs within 3.5 years. Southwark has over 1,500 statements to transfer. The priority for this year is Year 11, sixth formers moving on and year 5. In addition many young people with Learning Difficulty Assessments post 16 will also request an EHCP to continue in education.

- 7.5 The council must provide information about all of its services for children and young people with SEND in one accessible place: the Local Offer. Southwark's Local Offer is now available at www.localoffer.southwark.gov.uk. The Local Offer provides information for parents, young people and professionals on all aspects of SEND from 0-25. Information can be found on Education, Health & Wellbeing, Care, Housing, Transport, Employment, Benefits and Information, Advice & Advocacy. Officers reported that Young People have requested a dedicated site for young people, and this is being developed. The sub-committee commented that the website would benefit from more extensive information, particularly on post 16 options for employment, apprenticeships and traineeships.

Recommendation 10

Ensure that the Local Offer website covers the full range of training and apprenticeships for all young people, particularly young people with special needs and support available

8 Lewisham Southwark College and Further Education provision

- 8.1 Lewisham Southwark College (formerly LeSoCo) is the main and largest provider of post-16 education and training across both London boroughs and is one of the biggest colleges in London with 17,000 students, 650 staff and an income of nearly £38m. The College's provision is wholly vocational, occupational or professional and is aimed at getting people in to work. The College operates across a wide educational spectrum and supports young people and adults from pre-Entry Level through to Level 5 (equivalent to the second year of an honours degree) and includes provision for people with learning disabilities and difficulties.
- 8.2 Lewisham Southwark College was formed in August 2012 (as LeSoCo) with the merger of Southwark and Lewisham Colleges. The college was judged as "inadequate" overall following an inspection by Ofsted in December 2013. It was judged inadequate for the quality of teaching, learning and assessment and was inadequate in the provision of English and maths. Following that the college has been re-inspected twice, and both times Ofsted has found "insufficient improvement for learners". At the time of writing this report, 30 March 2015, the college received a further highly critical Ofsted report that rated overall effectiveness as inadequate. This is a huge concern to the committee.
- 8.3 An interim leadership team is in post with a permanent Principal due to start in summer 2015. The Interim Vice Principal attended a sub-committee meeting in November. He explained that one of the reasons for the inadequate rating is Ofsted's new emphasis on English and maths, and a number of colleges have been downgraded using this new assessment framework. He said the college is now working on improving this area, in particular. The college is focusing on construction, tourism, health and creative arts, which the college is borderline "Outstanding" on. These are all growth areas for the college.
- 8.4 The college reported strong partnerships with the Local Authority and Lewisham Schools, but that links were less strong with Southwark schools, and that this might be because more are academies.
- 8.5 The committee raised concerns with the quality of Apprenticeships, and the number of young people completing these and gaining employment at the end. This was a concern of the Ofsted re-inspection in November 2014, who returned to the previous inspection's finding that too few apprentices achieve their qualifications and complete their programmes within the expected time. Ofsted said that this remains the case and they continued to be concerned. They found that the numbers of apprentices who achieve and complete their programmes successfully are increasing slowly, as are the numbers that achieve within their expected time-scale, but these remain too low.^{vi} The college reported that it had over 1300 apprentices last year, and this increased recently to around 1550. The sub-committee emphasized the importance of quality programmes and high standards; given apprentices can be paid only £95 per week it is important there is investment and commitment to their learning and development.

- 8.6 The sub-committee and officers raised concerns with the diversity of the post 16 vocational offer, particularly given the poor performance of Lewisham Southwark College over the last couple of years, however officer advised that 6th Forms often struggle to offer vocational courses as they lack the facilities.

Recommendations 12, 13, 14 & 15

Southwark Council works with Lewisham Southwark College to improve its provision of quality apprenticeships.

The Overview & Scrutiny Committee notes the possible closure of the Lewisham Southwark College Camberwell site and propose the cabinet supports the local champagne to keep this facility open.

Improve the diversity of the post 16 year offer for young people by investing in widening the provision at local sixth forms, where possible, and ensuring that young people, parents and carers fully understand the range of alternative options and are well supported in transition.

Southwark Council must develop an exemplary further education offer for current and future students of Lewisham Southwark College as a matter of urgency, particularly considering the impact such a poor offer has on local learners. Moves should be made to develop plans to improve the opportunities for local learners focused on defining what a 'good further education offer' looks like by; working with the funding agencies, providers and others key stakeholders to develop this.

9 Conclusion and policy seminar feedback

- 9.1 A policy seminar was held on 14 April to discuss the findings of an earlier draft of this report, and other reports by the sub committee. A presentation on the report was given by the Principal of Bacon's College on the school's focus on wellbeing. The Principal particularly emphasized the need to tackle the lack of progress of a residual 20% of students and the effectiveness of Bacon College's programmes in ensuring this cohort do make considerable academic and personal progress by addressing the underlying emotional and social issues.
- 9.2 Following the presentation a breakout group was held on the draft report and the finding and the groups was asked to pick out three points. This was very well attended by headteachers, senior health and social care managers, elected members and parent governors.
- 9.3 The policy seminar breakout group firstly affirmed the reports focus, and Bacon's College good practice in improving the wellbeing and behavior of students by addressing the mental health, emotional and social needs of young people, particularly in ensuring good progress for the most disadvantaged young people. The recommendation to take a proactive approach to mental health by adopting Bacon's College best practice was supported, as was the need for better integration and links with CAMHS.
- 9.4 The policy seminar secondly emphasized the importance of engaging low income parents and the wider community in facilitating a learning community, and addressing the adverse impact poor housing has on education. Housing deprivation and the importance of parental literacy and engagement were identified as issues in the Lambeth Council report the sub-committee considered on raising the achievement of white working class parents.
- 9.5 In particular an elected member noted that Southwark families are being displaced and moving out of the borough, sometimes to take up an offer of larger housing. Children are then travelling a long way as they do not want to change schools.
- 9.6 The importance of working with low income parents, particularly in places where there are high levels of wealth disparities, was emphasized. The report of the Headteachers' Executive on Summer Loss was noted, whereby children of poorer parents do not participate in the same level of enrichment activities over the holidays. The pivotal role of parents as informal educators and the wider community in promoting a learning culture, beyond the learning day was highlighted. A quote in the longer report from Professor Mongon on the importance of a holistic approach to addressing the problem of working class underachievement was referred to:

"it's not single factors which make a difference, but as many contributors to the success of children from low income families as possible.....child, family,

school, neighbourhood, community....having people around them that believe in them, encourage them, challenge them, support them."

Practical examples suggested included parental literacy classes and Millwall football club being more engaged with community education.

- 9.7 The third issue the policy seminar highlighted was the importance of a good Further Education offer and improved transition. Participants emphasized that a good quality Further Education would offer Southwark young people a richer menu to inspire and motivate them to achieve, beyond the narrow focus on academic attainment offered by most 6th forms. It was noted that without a good offer young people are at risk of becoming disillusioned and demotivated.
- 9.8 Transition between primary and secondary, and later to Further Education, employment or training was highlighted as a time when young people are particularly at risk of becoming disengaged from education and training.
- 9.9 The three main points identified by the policy seminar were:
 - Focus on children's & young people's wellbeing, emotional health and social issues to improve behaviour and academic progress.
 - Engage low income parents, and the wider community, in facilitating a learning community, and address the adverse impact poor housing has on education.
 - A better Further Education offer is vital to inspire, motivate and effectively address the learning, training and employment needs of young people not on an academic pathway. Transition support is crucial, as young people are at risk of disengagement when they transfer to secondary, and then Further Education.

10. Summary of recommendations

- 1 The exam and testing regime is changing. When the council updates its council plan to reflect these changes it is recommended that new targets are set using both Attainment 8 and Progress 8 to measure school performance.
- 2 Continue to prioritize finding more local foster & care placements, particularly when it is needed most at year 10 & 11, given the adverse impact moving has on a child's education.
- 3 Ensure the needs of Permanently Placed children are highlighted to schools, alongside the training programme provided by PAC –UK.
- 4 Link the expertise of the LAC team to local schools with Permanently Placed children.
- 5 Bring the research of Lambeth Council, and the Southwark Education Community School education researchers insights, on white working class attainment to the attention of local schools through the education department and the Headteachers' Executive.
- 6 Assist schools in improving the provision for low income and deprived parents, in recognition of their pivotal role in children's education, particularly in areas where there is a high disparity of wealth. In particular take measures to assist schools engage parents, and improve the provision of parental literacy classes and community education. Take steps to assist families in housing need, especially the needs of displaced children whose families have had to move to access housing.
- 7 Promote Bacon's College good practice in providing a whole school approach to wellbeing and use of therapeutic and targeted interventions to address the social, emotional and mental health needs of the most disadvantaged students, particularly to ensure the bottom 20% make good progress.
- 8 Improve communication by Social Work teams with schools by ensuring that schools have a consistence link. Look at the deployment of school nurses as an example of good practice – schools praised the simple geographical model and clear communication lines.
- 9 Improve communication between schools, Housing, Probation Services and the Police.
- 10 Invest in further provision of CAMHSs and ensure that there is one consistent CAMHS link person for every school.
- 11 Ensure that the Local Offer website covers the full range of training and apprenticeships for all young people, particularly young people with special needs, and that the site details all employment support available.
- 12 Work with Lewisham Southwark College to improve its provision of quality apprenticeships.
- 13 The Overview & Scrutiny Committee notes the possible closure of the

Lewisham Southwark College Camberwell site and propose the cabinet supports the local champagne to keep this facility open.

- 14 Improve the diversity of the post 16 year offer for young people by investing in widening the provision at local sixth forms, where possible, and ensure that young people, parents and carers fully understand the range of alternative options and are well supported in transition.
- 15 Southwark Council must develop an exemplary further education offer for current and future students of Lewisham Southwark College as a matter of urgency, particularly considering the impact such a poor offer has on local learners. Moves should be made to develop plans to improve the opportunities for local learners focused on defining what a 'good further education offer' looks like by; working with the funding agencies, providers and other key stakeholders to develop this.

Members of Education and Children's Services Scrutiny Sub-Committee who led this review:

Elected members:

Councillor Jasmine Ali (Chair)
 Councillor Lisa Rajan (Vice-Chair)
 Councillor Evelyn Akoto
 Councillor Anne Kirby
 Councillor James Okosun
 Councillor Kath Whittam
 Councillor Kieron Williams

Education representatives:

Martin Brecknell
 Lynette Murphy-O'Dwyer
 Abdul Raheem Musa
 George Ogbonna

Scrutiny project manager and report author

Julie Timbrell

With thanks to everybody who contributed evidence:

Southwark Headteachers' Executive
 Lewisham Southwark College: Robert Rees, Vice Principal Quality & Curriculum (interim)
 PAC-UK: Dr Emma Gore Langton
 Professor Steve Strand
 Lambeth Council: Feyisa Demie, Head of Schools Research and Statistics Unit
 Education researchers: Edna Mathieson, Peter Chester & Pat Chester
 Southwark Youth Council
 Bacon's College: Principal John Martin & Assistant Headteacher Norma Gould
 Compass School Southwark (Secondary)
 Bethlem & Maudsley Hospital School
 Nell Gwynn Nursery School
 Comber Grove Primary School
 Redriff Primary School
 Ilderton Primary School
 St Michael's Catholic College (Secondary)
 Notre Dame RC Girls' Secondary School
 City of London Academy –Southwark (Secondary)
 St Paul's Church of England Primary School, Walworth
 St. Johns' Roman Catholic Primary School
 Grange Primary School
 Albion Primary School
 St John's Walworth Church of England Primary School
 St John's and St Clement's Church of England Primary School
 Surrey Square Primary School
 Crawford Primary School

Southwark Council officers:

David Quirke-Thornton, Strategic Director Children's and Adult Services

Rory Patterson, Director, Children's Social Care

Kerry Crichlow, Director, Strategy & Commissioning

Merril Haeusler, Director of Children's Services , Education

Darren Coghlan, Head of Secondary and Further Education Employment and Inclusion

Liz Britton, Manager, Priority Learners

Stephan Gaskel, Head of Strategy and Partnerships

References

ⁱ PAC UK A good Practice Guide for Schools, page 10, quoting Department for Children, Schools and Families 2009

ⁱⁱ Denis Mongon: Educational attainment - White British students from low income background. Research paper for Ofsted's 'Access and achievement in education 2013 review'

Denis Mongon: Successful leadership for promoting the achievement of white working class pupils
<http://www.teachers.org.uk/files/successful-leadership-summary.pdf>

ⁱⁱⁱ Basil Bernstein's statement (Karl Mannheim Professor of Education, University of London),

^{iv} Chapter 3, 'Keeping the school in mind', Therapeutic Practice in Schools Volume Two: The Contemporary Adolescent: A Clinical Workbook for counsellors, psychotherapists and arts therapists.

^v Future in mind, Promoting, protecting and improving our children and young people's mental health and wellbeing. Department of Health 2015
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/414024/Childrens_Mental_Health.pdf

^{vi} page 3 Ofsted Follow up re-inspection report November 2014

Item No. 10.	Classification: Open	Date: 21 July 2015	Meeting Name: Cabinet
Report title:		Response to Southwark and Lambeth Childcare Commission	
Ward(s) or groups affected:		All wards	
Cabinet Member:		Councillor Victoria Mills, Children and Schools	

FOREWORD – COUNCILLOR VICTORIA MILLS, CABINET MEMBER FOR CHILDREN AND SCHOOLS

The Southwark and Lambeth Childcare Commission's report was received and noted by the Cabinet at its meeting in March 2015. It was agreed that a further report would be brought back to cabinet responding to the Commission's recommendations.

This report sets out a series of practical responses to the Commission's recommendations which will help parents and childcare providers. It does so in the context of the Council's broader childcare responsibilities, including potential additional duties signalled by the new Government.

The Council has previously committed to supporting the development of new community nursery provision as one of its 'Fairer Future' promises and the report sets out progress with this.

A further report and action plan will be brought to the cabinet in autumn 2015. This will include an update on the council's response not only to the Childcare Commission but also the implications of the Government's plans to expand free childcare for 3 and 4 year olds and to increase the average childcare funding rates paid to providers.

RECOMMENDATIONS

1. In response to the recommendations of the Southwark and Lambeth Childcare Commission (set out in Appendix A), cabinet agrees the proposed actions set out at paragraph 18, Table One of this report.
2. That a further report be brought back to cabinet in Autumn 2015 outlining a clear strategy and detailed programme of activities for implementing this response, and for securing a sufficient supply of good quality early education and childcare places across Southwark (as set out at paragraph 27 of this report)
3. An award of a one-off grant of £110,000 to 1st Place Children and Parents Centre be agreed, to support the start up of a new nursery in line with the Council's commitment to open new community nursery provision.
4. That further proposals for new community nursery provision be invited from potential providers, with a budget of £200,000 established for this purpose.

BACKGROUND INFORMATION

5. The Southwark and Lambeth Childcare Commission was established in June 2014 to review existing policy and practice in childcare provision, with particular reference to the experience of parents, children and childcare providers in the central London boroughs of Southwark and Lambeth. The aim of the Commission was to examine the challenges and opportunities in this area, and to make recommendations for changes to policy and practice at a national, regional and local level in order to secure childcare provision that is accessible and affordable to all parents, supports them to be economically active, and delivers quality education and development for children in the early years.
6. The Commission's report was received and noted by the cabinet at its meeting in March 2015. It was agreed that a further report would be brought back to Cabinet in May 2015 responding to the Commission's recommendations. The report has been set back to the July meeting to enable consideration of new childcare announcements from the new UK Government.
7. This report considers the Commission's recommendations and sets out proposed actions in the context of the council's existing commitments and statutory duties as well as emerging national early years policy developments.

KEY ISSUES FOR CONSIDERATION

Policy implications

8. Childcare is a priority for Southwark Council. The 'Fairer Future' promises, as agreed in the Council Plan by the Cabinet in February 2015, include as 'Promise 5 – Nurseries and Childcare' a commitment that 'We will help parents to balance work and family life including investment in our children's centres to deliver more quality affordable childcare and open two new community nurseries'.
9. The council has general duties under the Childcare Act 2006 to:
 - a. improve the well-being of young children and reduce inequalities between them;
 - b. take steps to identify parents and those expecting a baby in their area who are unlikely to take advantage of early childhood services and encourage them to use them.
10. In respect of childcare specifically, the Council's duties under the Childcare Act 2006 (as further defined by Local Authority Duty to Secure Early Years Provision Free of Charge Regulations 2014) and explained in 'Early education and childcare Statutory guidance for local authorities' (Department for Education, 2014), include:
 - a. Securing early education places offering 570 hours a year over no fewer than 38 weeks of the year for every three and four year old child, and for the 40% most disadvantaged two year old children;
 - b. Securing sufficient childcare, so far as is reasonably practicable, for working parents, or parents who are studying or training for employment, for children aged 0-14 (or up to 18 for disabled children);

- c. Using a locally-determined, transparent formula - the early years single funding formula (EYSFF) - to set the funding rates for all types of provider based on a count of children attending provision conducted at least three times a year;
 - d. Providing information, advice and assistance to parents and prospective parents on the provision of childcare in their area; and
 - e. Securing information, advice and training for early years childcare providers in their area on meeting the requirements of the Early Years Foundation Stage; meeting the needs of children with special educational needs and disabilities, vulnerable and disadvantaged children; and effective safeguarding and child protection.
11. Southwark also has a statutory duty to ensure that there are sufficient children's centres, as far as reasonably practicable, to meet local need of parents, prospective parents and young children. This is also set out in the Childcare Act 2006 and further explained in 'Sure Start Children's Centres Statutory Guidance' (Department for Education, 2013).
 12. A new duty has been placed on Local Authorities since April 2015 to distribute Early Years Pupil Premium funding to early years settings in order to improve the education they provide for disadvantaged three and four-year-olds.
 13. The government has published a new Childcare Bill which, if passed, will increase the free hours of childcare available for working parents of 3 and 4 year olds from 15 to 30 hours a week. This requirement is expected to be introduced from September 2017. The Bill would also require local authorities to publish information about the provision of childcare (see sections 19-25 below).

Childcare Commission recommendations for National Government, the Mayor of London and Local Employers

14. Southwark Council notes the recommendations for National Government, the Mayor of London and Local Employers in the Childcare Commission report, and the recognition that the affordability, quality and supply of childcare cannot be a matter for Local Authorities alone, but is substantially dependent on national policy and funding. The Council is continuing to lobby the Department for Education and the Mayor of London through London Councils and other channels in support of investment in childcare

Childcare Commission recommendations for Southwark and Lambeth Councils

15. The Childcare Commission report includes a number of specific recommendations for Southwark and Lambeth Councils (see Appendix A). These cover the following key areas:
 - Childcare
 - Children's Centres
 - Integrated Commissioning;
 - Supporting parents to do the best for their children
 - Business support.
16. Lambeth Council is developing its own response to the report, but officers in both Councils are working closely together on early years initiatives.

17. Southwark's response to the Childcare Commission is set in the context of an extremely challenging fiscal position as a result of reductions in central government funding. This places a significant constraint on the Council's ability to invest in new initiatives. Nevertheless, the Council is committed to making the most effective use of the resources it has available to support childcare development.
18. Following consideration of the Childcare Commission report, it is proposed that the Council's response to its recommendations be as follows:

Table One: Response to Childcare Commission Recommendations

Summary of Commission Recommendations	Proposed Response
Childcare	
Commission recommendations focus on improving information about childcare; supporting childminding; and encouraging new provision such as co-operative childcare schemes and childcare clubs/babysitting circles	1. Southwark will develop a childcare portal as part of the Council's online presence. This should include improved information for both parents and providers, online eligibility checking for the two year old offer and Early Years Pupil Premium, and access to advice and training materials 2. Southwark will launch a marketing campaign to promote childminding as an option for parents. 3. Southwark will ensure that there is a Childminding network linked to each of the four Children's Centres/Early Help localities. 4. Southwark will develop and implement a strategy for encouraging new childcare provision in areas where there is a need for new places. This will include consideration of co-operative childcare schemes and childcare clubs as well as more traditional providers.
Children's Centres	
Develop the role of Children's Centres further, including acting as a base for registering births; developing parent-led provision at weekends; linking up with employment support; and increasing the provision of childcare.	5. Southwark does not believe that basing the birth registration service within Children's Centres would make a significant impact. Instead we will encourage new parents to access Children's Centres through improving links with maternity and health visiting services. This will include delivering antenatal clinics in Children's Centres. 6. Southwark will ensure that each of the four Children's Centre localities has at least one weekend activity taking place. 7. Southwark will ensure that parents using Children's

Summary of Commission Recommendations	Proposed Response
	Centres have improved access to employment support through Job Centre Plus and other agencies. 8. Southwark will prioritise the provision of additional free two year old places in Children's Centres.
Integrated Commissioning	
Lambeth and Southwark should continue to develop integrated commissioning with a strong ethos of early intervention; and should liaise with schools to pool and invest a proportion of schools' pupil premium funding from the Dedicated Schools Grant in pre-school interventions to support school readiness.	9. Southwark Children's Commissioning Board, which brings together the Council, Southwark Clinical Commissioning Group and other key health partners, has recently (June 2015) agreed Joint Strategic Commissioning Intentions on 'Early intervention in the early years' along the lines proposed by the Childcare Commission. 10. Southwark will issue guidance to schools and early years settings on using the new Early Years Pupil Premium to support school readiness.
Supporting parents to do the best for their children	
Use evidence-based parenting support and family learning programmes, as well as parent-led programmes such as Parent Champions and Community Mothers.	11. Southwark only utilises evidence-based parenting support and family learning programmes, including Incredible Years and the Family Nurse Partnership. 12. The Council is currently consulting with staff on integrating adult learning provision into Children's and Adults Services. As part of this process, Southwark will explore aligning this provision with support to parents and families.
Business Support	
Investigate the feasibility of providing business rates discounts for employers that invest in childcare support for employees, and help put employers in touch with providers interested in running workplace nurseries. The Commission	13. Southwark already provides Discretionary Rate Relief for not-for-profit providers of education and welfare services. The Council will explore the feasibility of amending its NNDR Discretionary Rate Relief Policy to encourage childcare provision, within the framework of the Local Government Finance Act 1988 and related statutory guidance which requires that any local discount scheme must

Summary of Commission Recommendations	Proposed Response
also recommends that the Council should expand their requirement for businesses winning council contracts to pay the living wage, to other forms of family friendly working.	be in the interests of the wider council taxpayer. 14. Southwark has launched a Childcare loan scheme for its employees in response to the Commission. This is aimed at helping parents with childcare costs when returning to work after parental leave. 15. Southwark will launch an initiative with other local employers on supporting the childcare needs of their staff, including both direct support with childcare and family friendly working.

The Childcare Bill and Childcare Sufficiency

19. Since the Childcare Commission report was published, the new UK Government has signalled further developments in relation to early education and childcare.
20. All children are currently entitled to 15 hours of free early education and childcare from the start of the term after they turn three years old. The Childcare Bill, which received its second reading in the House of Lords on 16 June 2015, provides for an increased entitlement to 30 hours a week of free childcare (for 38 weeks of the year) to be made available to eligible working parents of three- and four-year-old children in England. The Bill would also require local authorities to publish information about the provision of childcare, and other services or facilities which may be of benefit to parents or prospective parents, or children or young persons, in their local authority area.
21. The government has stated that the increased entitlement would be implemented for all working parents from September 2017, with trials being introduced for some families in September 2016.
22. There are a number of significant details of the scheme which are yet to be finalised, such as the number of hours that parents would need to work to be eligible, and whether there would be an upper income threshold beyond which parents would not be entitled to this support.
23. Nationally, a key concern raised by the early years sector relates to the level of funding for the scheme. The National Day Nurseries Association, for instance, has argued that the level of funding for the current 15 hours offer is barely sufficient to cover providers' costs, and that many nurseries could not afford to offer 30 free hours at such rates. Some settings could choose not to participate in the expanded scheme, reducing the supply of places. The Department for Education is currently undertaking a review of the costs of providing childcare in England, with Ministers indicating that an increase in funding levels may be required.
24. The proposed increase in free hours, following on from the extension of the free early education entitlement to 40% of two year olds (from September 2014), is likely to increase the challenge faced by London authorities in ensuring a sufficient supply of childcare places. London Councils has identified a lack of

capacity with the London childcare system with many providers already operating at maximum occupancy.

25. In Southwark, the number of children receiving free places has significantly increased in recent years, as a result of the expansion of the two year old scheme, rising population and increased take up (see table one below).

Table One: children in free provision in Southwark, 2012-15

	Two year olds in free provision	Three and four year olds in free nursery provision
January 2012	64	4,508
January 2014	620	4,706
April 2015	1,052	5,539

26. As a result of this increase, there is an emerging challenge to childcare sufficiency in parts of Southwark. An increase in the number of free hours, though welcome to parents, is likely to require a further expansion of provision but it is unclear what resources, if any, the Government will provide to support this.
27. It is proposed that officers work with early years settings, employers and other partners to develop a strategy and action plan for securing sufficient supply of good quality early education and childcare across Southwark, as well as for implementing the action identified in response to the Childcare Commission (as set out in Table One above).

Proposal for new community nursery provision

28. In the context of a potential future shortage of places, Council support for new community nursery provision, as set out in the Council Plan, can make a significant contribution to increasing the supply of childcare in the borough.
29. 1st Place Children and Parents Centre has put forward a proposal to open a new community nursery at St Pauls Church, Lorrimore Square SE17. The plan would be to open a nursery that would include 50 full time places for children aged 6 months to rising five years. Within this number will be 32 funded free part time places during the school term for children aged 2 to 4.
30. 1st Place Children and Parents Centre was established by parents and partners involved with the Sure Start Aylesbury Plus programme in 2003, with the support of Southwark Council. It operates a successful nursery and Children's Centre from its base in a building leased from Southwark Council in Chumleigh Street, Burgess Park. 1st Place opened a second nursery at Cambridge House, SE5, in 2011.
31. 1st Place is a voluntary organization and registered charity, overseen by a Board of Trustees, with membership including senior officers from national and international charities, business, statutory and voluntary sector services, as well as parents who use 1st Place services. It has 'a vision of a strong community where every parent and child is given the chance to realise their potential and enjoy a good quality of life. It's our mission to provide equal opportunities to every child and parent in the local community through high-quality, early learning experiences, family support and training'.
32. 1st Place has a track record of delivering high quality provision. Both of its

nurseries have been judged as 'Outstanding' by Ofsted, as has its Children's Centre provision.

33. 1st Place's business plan for the proposed new nursery demonstrates that it can be self-sustaining from fee income within 12 months of opening, with no expectation of ongoing revenue funding from the Council. It is proposed to provide 1st Place with a one-off start up grant of £110,000 for the following purposes:
 - a. To equip and refurbish the premises to make them suitable for childcare provision
 - b. To help cover operational costs in the interim period between staff being employed and the occupancy levels reaching the level where fee income covers costs.
34. In addition to the new nursery planned by 1st Place, Bessemer Grange Primary School is planning to open new community nursery provision for two year old children later this year.
35. In view of the issues with childcare sufficiency and capacity identified above, it is proposed that the Council will invite further proposals for new community nursery provision from potential providers, with a budget of £200,000 established for this purpose.

Community impact statement

36. The Public Sector Equality Duty, at section 149 of the Equality Act, requires public bodies to consider all individuals when carrying out their day to day work – in shaping policy, in delivering services and in relation to their own employees. It requires public bodies to have due regard when carrying out their activities to the need to eliminate discrimination, advance equality of opportunity, and foster good relations between people with protected characteristics and those with none. The council's Approach to Equality ("the approach") commits the council to ensuring that equality is an integral part of our day to day business.
37. "Protected characteristics" are the grounds upon which discrimination is unlawful - the characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, gender and sexual orientation. Equality analysis indicates that the Commission's recommendations and the Council's proposed response are unlikely to impact on the characteristics of gender reassignment, marriage and civil partnership, race, religion or belief or sexual orientation. The expansion of childcare provision would be likely to contribute to advancing equality of opportunity for working mothers, and to expand educational opportunities for disadvantaged younger children (aged under five).

Resource implications

38. The actions set out in paragraph 18, Table One, assume the use of current staff and budgets within Children's and Adult service, rather than the allocation of additional resources.
39. The proposed start up funding for the new nursery at 1st Place and for additional community nursery provision would come from the Dedicated Schools Grant

budget set aside with the agreement of Schools Forum for the development of the two year old offer in Southwark.

Consultation

40. The Commission took evidence and information from local residents, parents, children, childcare providers and organisations with an interest in childcare. The evidence has been essential in informing and supporting the work of the Commission and its final report.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Legal Services

41. The council's functions in relation to improving the well-being of young children and reducing inequalities between them, and the provision of childcare and children's centres, are set out in the body of the report.
41. Cabinet is reminded that the public sector equality duty under section 149 Equality Act 2010 requires that, when exercising any of its functions, the council must give due regard to the need to eliminate discrimination, advance equality of opportunity, and foster good relations between people with protected characteristics and those with none.

Strategic Director of Finance and Corporate Services (FCS15/011)

42. The strategic director of finance and corporate services notes the proposed actions in response to the Southwark and Lambeth Childcare Commission recommendations. Further that these proposals will be funded through a combination of existing staff and budgets, and the DSG reserve set aside for two year old funding.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Lambeth and Southwark Childcare Commission Report	Children's & Adults Services 160 Tooley Street London SE1 2QH	Neil Gordon-Orr 020 7525 5234
http://www.southwark.gov.uk/downloads/file/11693/childcare_commission_report		

APPENDICES

No.	Title
Appendix 1	Childcare Commission Recommendations for Southwark and Lambeth Councils

AUDIT TRAIL

Cabinet Member	Councillor Victoria Mills, Children and Schools		
Lead Officer	David Quirke-Thornton, Strategic Director of Children’s and Adults Services		
Report Author	Neil Gordon-Orr, Early Help Central Strategic Manager		
Version	Final		
Dated	8 July 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 of Finance and Corporate Services		Yes	Yes
Cabinet Member		Yes	Yes
Date final report sent to Constitutional Team			9 July 2015

APPENDIX 1
Childcare Commission Recommendations for Southwark and Lambeth Councils

Childcare

1. Lambeth and Southwark should improve access to information about local childcare by facilitating the creation of an online childcare portal.
2. Increase the awareness of existing provision as well as the supply and quality of childminders, by:
 - a. Establishing and extending childminder networks, run out of Children's Centres, focused on improving the quality of childminding.
 - b. Expanding and strengthening flexible childminder networks to broker parental access to childminders.
 - c. Working with local further education providers to increase the supply of childminders.
 - d. Providing more business support for childminders.
3. Lambeth and Southwark should support more before-and after-school provision and holiday provision for school-age children through supporting parents to set up cooperative childcare schemes.
4. Both boroughs should set up childcare clubs for parents, which could operate on a 'timebank' principle. These could, for example, help parents coordinate drop-offs and pick-ups from school with other local parents, and facilitate the set up of 'babysitter circles' whereby parents look after each other's children in a reciprocal scheme.

Children's Centres

5. Both boroughs should work together to share and develop best practice on Children's Centres.
6. More Children's Centres to allow parents to register their child's birth.
7. Both boroughs should explore how to expand the availability of Children's Centres at weekends, such as through parent-led provision.
8. Both boroughs should look at how to increase the role that Children's Centres play in the provision of childcare.
9. Expand and share best practice on the linking up of family services and employment support.

Integrated Commissioning

10. Lambeth and Southwark should continue to develop partnership working and integrated commissioning with a strong ethos of early intervention and robust methods for sharing data and best practice.

11. Lambeth and Southwark should liaise with schools to pool and invest a proportion of schools' pupil premium funding from the Dedicated Schools Grant in pre-school interventions to support school readiness and transitions to school as part of an 'invest to save' approach within this strategy.

Supporting parents to do the best for their children

12. Both boroughs should continue to review the use of evidence-based parenting support programmes such as Family Nurse Partnership, Incredible Years and Triple P, and ensuring that the Children's Centre network is used to increase access to these programmes, moving funding away from programmes that are not evidence-based. This is already happening as part of Lambeth's LEAP programme.
13. Both boroughs should also commit to supporting the provision of evidence-based family learning programmes through Children's Centres, targeted at parents with low levels of prior educational qualification.
14. Both boroughs should commit to expanding support for parent-led programmes such as Parent Champions and Community Mothers.

Business Support

15. Both councils should investigate the feasibility of providing business rates discounts for employers that invest in high quality, affordable childcare support for employees.
16. Both councils should run a brokering service putting in touch employers and charities and social enterprises interested in running workplace nurseries.
17. Both councils should expand their requirement for businesses winning council contracts to pay the living wage, to other forms of family friendly working, for example, by asking employers to sign up to Timewise or demonstrate good practices with respect to promoting the right to request flexible working and granting requests.

Item No. 11.	Classification: Open	Date: 21 July 2015	Meeting Name: Cabinet
Report title:		Primary and Secondary School Place Planning Strategy Update	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Victoria Mills, Children and Schools	

FOREWORD – COUNCILLOR VICTORIA MILLS, CABINET MEMBER FOR CHILDREN AND SCHOOLS

Southwark Council continues to make good progress in keeping pace with the increased demand for primary and secondary school places alongside our firm commitment to drive up standards of educational achievement. The year on year improvement in results across all our schools coupled with a growing and regenerating borough means that the pressure on school places is a testament to the popularity of our schools and Southwark being an increasingly great place for families and young people to live and learn.

This is a good challenge to face and this report examines in detail the progress we have made to meet the anticipated demand and the need for additional primary places from 2016 onwards. The £106.5m primary expansion programme shows a sustained investment in school places and the schools estate which is delivering new and expanded schools with high quality facilities. By September 2015, Southwark will have added just shy of 3000 additional primary school places since 2009, and this will be over 4000 places by 2018. The pace and scale of the increase in demand for school places, particularly in the north of the borough, requires a continuing investment programme which maximises efficiency and effectiveness of the borough's existing schools estate, and builds on the success and popularity of our high performing schools, as well as engaging school providers and external funding sources to ensure the best opportunities for the borough's school children.

This report also sets out why the council is well placed to meet the increasing demands for secondary places. Not only is Key Stage 4 performance above the national average, compared to the rest of England, Southwark was ranked joint twentieth and in the top quartile for GCSE results in 2014. It should therefore be no surprise that the new secondary school – The Charter School East Dulwich – secured for the Dulwich Hospital site is 'home grown'.

Southwark children deserve to be part of this success story. We believe in giving all our young people the best start in life and this report makes clear that securing a place at a great local school is right at the heart of this commitment.

RECOMMENDATIONS

1. That cabinet notes the updated forecasts of primary school reception places.
2. That cabinet agrees to commence formal consultation on the expansion of Rotherhithe Primary School from 2 forms of entry to 3 forms of entry.
3. That cabinet agrees to phase the expansion of Ivydale Primary School to occur in two stages – for 90 to be admitted to reception in September 2016, and 120 in

September 2017.

4. That cabinet notes the updated forecast of demand for year 7 secondary school places in the borough and the steps being taken by officers to assist and facilitate appropriate expansions of existing secondary schools in Southwark
5. That cabinet notes the engagement with the Education Funding Agency on site(s) for a north of the borough secondary school.
6. That cabinet notes that discussions are taking place with both Southwark's Diocesan Boards on potential for expansion of diocesan schools in the north of the borough.
7. That cabinet notes the potential shortfall of places in planning area 1 (Borough, Bankside and Walworth) from 2018/19 onwards, and will bring forward plans to address this within the year.

BACKGROUND INFORMATION

8. The school places strategy update reported to cabinet in March and July 2014 described the continuing demand for primary and secondary school places in the borough and the steps being taken to meet that demand. This report updates the background data, notes that discussions are taking place with stakeholders, and the steps the council is taking to meet anticipated primary and secondary. Demand.
9. In 2014, two key issues were identified for further exploration. For primary schools, the report noted that whilst the proposed overall number of places would meet the forecast demand by September 2016, the distribution of places was uneven, with an under provision in the north of the borough and excess places in the south. In 2015, projections showed that this projected demand in the north had been somewhat overstated, and whilst there was still likely, in the long term to be a shortfall in places in the north of the borough, the need was not likely to be as urgent as previously anticipated.
10. For secondary schools, despite the present surplus of places across the borough, the need for improved access for families to places in their preferred schools and the need to prepare for a steep rise in forecast demand starting in September 2018 were regarded as issues to be addressed. The 2015 projections have taken account of additional provision being in place, and anticipate a shortfall from 2020-21 onwards.
11. Work is underway on the annual school capacity (SCAP) survey for submission by 23rd July 2015. This survey informs the Department for Education (DfE) and EFA of areas where there are pressures on school places and where significant shortfalls of places are anticipated by local authorities. The projections of pupil numbers are also used to calculate the basic needs funding local authorities receive to secure sufficient school places to meet future demand. As a result of last year's submission, the Council received £28 million to meet primary need in the borough.
12. The updated forecast of places for the July 2015 SCAP survey have been taken into account for both primary and secondary schools in the detail of this report.
13. The council has a statutory duty under the Education Act 1996 (as amended by the Education and Inspections Act 2006) to "*secure that sufficient schools for providing— (a) primary education, and (b) [secondary] education are available for their area*" as well as to "*secure diversity and increase opportunities for*

parental choice when planning the provision of school places” in the borough. This duty includes matching projected demand with supply, and ascertaining whether this demand is temporary (resulting, perhaps from a spike in births in a particular year), or permanent (as a result of in-migration or the development of housing in the vicinity). Based on the above evidence, the authority will request schools that have the potential to expand to admit an additional form of entry for fixed period of time, or to expand permanently. Schools will be funded for the additional classes they take.

14. As projections are by their very nature an estimate of demand, and occasionally, it is unclear whether developments planned will deliver within the timescale anticipated, we will therefore, on occasion, ask a school to admit an additional class temporarily in anticipation of a permanent expansion. This may also happen when the council expect funding to become available at a later stage to finance a permanent expansion. In common with other London boroughs, Southwark has seen a sharp increase in demand for primary places and this year we received a record number of on time applications. Birth rates increased 19% across the borough from 2002-2013, and in one ward, by 55%. The authority can either expand existing schools or enable free schools or academies to open, as the council is unable under the Academies Act 2010 and Education Act 2011 from opening new schools itself.
15. The Primary Investment Strategy was agreed by cabinet in July 2013 and this was updated by the Cabinet Member for Children’s Services in January 2014. In July 2013, Members noted the forecast demand for primary places and associated need for the creation of additional capacity within Southwark’s primary estate. As part of the Primary Investment Strategy and expansions to meet anticipated need, the permanent enlargements of Albion, Bessemer Grange, Charles Dickens, Crawford, Grange and Keyworth Primary schools were agreed by Cabinet on 18 March 2014, providing an additional 4.5 forms of entry (“FE”) at reception. Cabinet then agreed on 22nd July 2014 in the School Places Strategy Update to proceed to consultation on the expansion of Phoenix, Bellenden, Ivydale, Robert Browning and Keyworth Schools (the latter to 3FE, an expansion from 1.5FE to 2FE having already been agreed in the March).

The previous primary school enlargements formed part of the current target of an additional 1,755 primary places by September 2016. In March 2015, Cabinet agreed the expansions at the schools in the table below, adding a further 210 (7FE) permanent reception places in primary schools in Southwark from 1 September 2016. These expansions are outlined in table 1 below.

Table 1 Primary Expansions agreed 2014-15

Primary School	Previous Admissions Number (FE)	Revised Admissions Number (FE)
Robert Browning	45 (1.5FE)	60 (2FE)
Charles Dickens	45 (1.5FE)	60 (2FE)
Keyworth ⁽¹⁾	45 (1.5FE)	90 (3FE)
Albion	30 (1FE)	60 (2FE)
Phoenix	60 (2FE)	120 (4FE)
Crawford	60 (2FE)	90 (3FE)
Bessemer Grange	60 (2FE)	90 (3FE)
Bellenden	30 (1FE)	60 (2FE)
Ivydale ⁽²⁾	60 (2FE)	90/120 (3/4FE)
Total	435 (14.5FE)	690/720 (23/24FE)

(Source: 2015/16 Admissions brochure)

(1) Keyworth originally agreed to expand from 1.5FE to 2FE. In March 2015, this increased to 3FE

(2) Ivydale’s expansion to 4FE will be in 2 stages – to 3FE in 2016 and 4FE in 2017

KEY ISSUES FOR CONSIDERATION

Approach to primary and secondary pupil place planning

16. Southwark's pupil place planning is based on Greater London Authority (GLA) projections which are commissioned by Southwark and most London boroughs.

These are informed mainly by:

- Current school rolls
 - Birth rates
 - Underlying population projections
 - Migration
 - New housing development.
17. In primary place planning the borough is split into five smaller planning areas to enable place planning to respond to the more local pressure for places. These are broadly coterminous with the council's community council areas. These are given in table 2 overleaf, together with the state-funded schools that are contained within the individual planning areas, and the wards that constitute the planning areas.
18. A list of primary schools by planning area is included at Appendix A, and a map of individual primary school locations is attached at Appendix B. Secondary planning is carried out on a borough-wide basis because the catchment areas for secondary schools extends as far as, and beyond the borough's boundaries, and secondary age pupils are able to travel to secondary schools, inside and outside the borough. A map of secondary school locations is attached at Appendix C.
19. Place planning in recent years has been complicated by the academy presumption outlined in the Academies Act 2010, and the Education Act 2011 that requires authorities to facilitate academies or free schools rather than directly provide new schools themselves. An academy sponsor/free school group can apply to the EFA with a proposal for a school for their approval. The EFA only consults with (but does not seek the approval of) the local authority when a new academy or free school are proposed. These have, on occasion, been in areas where the council has identified no need for additional places, and where there is a risk that they abstract pupils from and potentially destabilise existing schools. The decision to open new schools therefore lies with the Education Funding Agency (EFA) and not the council.

Primary schools update

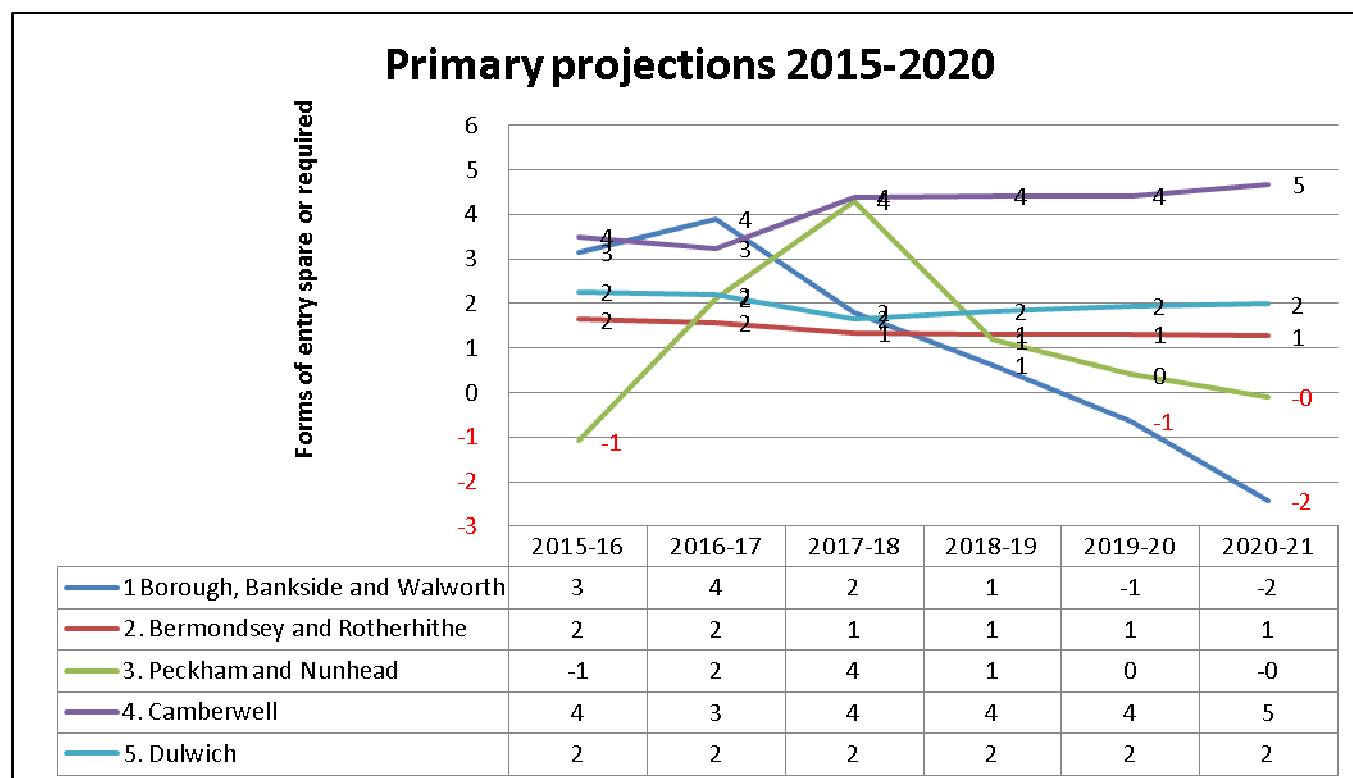
20. The primary investment strategy was agreed by Cabinet in July 2013 and updated by the cabinet member for children's services in January 2014. Table 2 below summarises the approved primary schools programme which will provide 21.5 additional forms of entry (FE) to meet forecast demand by September 2016. One form of entry is equivalent to 30 additional places in a year group or 210 places across a primary school.

Table 2: Approved primary schools programme for permanent expansions

School	Ofsted rating	Type	Planning Area	Additional Reception FE (places) for September 2016
Charles Dickens	Outstanding	Expansion	1. Borough, Bankside & Walworth	+0.5FE
Keyworth	Outstanding	Expansion		+1.5FE
Robert Browning	Good	Expansion		+0.5FE
1.Borough, Bankside & Walworth				+3FE (+90)
Albion	Outstanding	Expansion	2.Bermondsey & Rotherhithe	+1FE
Grange	Good	Expansion		+0.5FE
Galleywall (C of L)	N/A	New School		+2FE (open 2016)
Phoenix	Good	Expansion		+2FE
Redriff	Outstanding	Expansion		+1FE
2.Bermondsey & Rotherhithe				+6.5FE (+195)
Bellenden	Good	Expansion	3. Peckham & Nunhead	+1FE
Ivydale	Good	Expansion		+1FE (in Sep 2016) +2FE (in Sep 2017)
3. Peckham and Nunhead				+2FE(+60) (2016) +3FE (+90) (2017)
Belham	N/A	New School	4. Camberwell	+2FE (opening Sep 2015)
Bessemer Grange	Good	Expansion		+1FE
Crawford	Outstanding	Expansion		+1FE
4. Camberwell				+4FE(+120)
Judith Kerr	N/A	New School (Free school)	5. Dulwich	+1.8FE (open 2014)
Harris East Dulwich	N/A	New School (Free School)		+2FE(open 2014)
5. Dulwich				+3.8 FE(+110)
All of Southwark				+19.3FE (+580) 2016

21. A number of issues have been identified in the Ivydale Primary School (in PA3) expansion that have hindered the ability of the school to operate across two sites from September 2016 with works underway. The school is seeking to expand in 2 phases, to 3FE (90 pupils in reception) in September 2016, and 4FE (120 places in reception) thereafter - from September 2017 - to allow the building works on the new school site to complete. Members are requested to endorse this variation from the decision taken at Cabinet in March 2015 at item 6.
22. Table 3 below gives an updated forecast of primary reception places expressed as forms of entry (FE), taking into account the planned expansion programme given in Tables 1 and 2, paragraph 18 and interpolating new population projections. These figures also anticipate the opening of Belham Primary Free School (in PA4) in September 2015, and Galleywall City of London Primary Academy on the old Galleywall Primary School site in September 2016.

Table 3 – Primary Projections by Planning Area 2015-2020



23. It can be seen that, despite adding 9.5FE in September 2016 across the north of the borough – 3 forms of entry (3FE) in Planning Area 1 (Borough, Bankside and Walworth) and 6.5FE to Planning Area 2 (Bermondsey and Rotherhithe), there will still be unmet need across the 2 areas combined from September 2020 onwards.
24. The position in Planning Areas 1 (Borough, Bankside and Walworth) for September 2019 will need revisiting next year to determine whether permanent additional provision will be required in these areas, but presently, we will have run out of space in Planning Areas 1 and 2 in September 2019, and be in deficit in September 2020.
25. An analysis of existing application and enrolment trends, as well as pupil projections and recent engagement with the developers has evidenced a need for additional provision in the Rotherhithe peninsular area. To this end, we have engaged with schools in the area and have ascertained that Rotherhithe Primary School would be suitable for expansion – presently, the school is a 2FE school housed in a variety of buildings that are in a state of poor repair. A rebuild of the school – full or partial – would allow us to be able to expand the school to contribute to meeting the needs of the new communities anticipated by the Canada Water development. Therefore, Cabinet approval is sought to proceed to formal consultation for the expansion of the school from 2FE (60 pupils per year group) to 3FE (90). The school will temporarily expand for 2015-2016, and 2016-2017, with a target for permanent expansion of September 2018. The school was rated “Good” by Ofsted when inspected in 2014. This would be financed in part by the Community Infrastructure Levy (CIL) deriving from the Canada Water development on the peninsula.
26. A number of other options for expansion are being explored with the Southwark Church of England (C of E) Diocese:

- St James C of E Primary School (in Planning Area 2 – Bermondsey and Rotherhithe) have taken a bulge class in 2015-2016 (taking 3FE rather than their normal 2FE) and have indicated a wish to expand permanently.
- St Paul's C of E Primary Walworth (in Planning Area 1 – Borough, Bankside and Walworth) have indicated a wish to expand from 1.5FE to 2FE

These proposals are both supported by the Diocesan authorities. If the governors of the school formally request this expansion, consultation by the governors (as the admissions authority) will be undertaken, and this would be brought to Cabinet for final decision in due course. Permanent expansions have not (yet) been taken into consideration in the school roll projections above.

27. The authority is aware that John Donne Primary School (in Planning Area 3 – Peckham and Nunhead) – an existing academy – has made an application for a 2FE Free School in Wave 9. As no site (and therefore no planning area) has been identified for this free school, this has not as yet been incorporated into our school roll projections.
28. In planning areas 4 (Camberwell) and 5 (Dulwich), the picture remains broadly similar to previous years. As can be seen, there is a comfortable cushion of places that will allow for parents to exercise a degree of choice from September 2016 onwards. It should be noted that schools on the edges of these planning areas will serve Planning Area 1 (BBW) and Planning Area 3 (Peckham and Nunhead) where shortages are projected in the future.
29. The 1FE shortage in Planning Area 3 (Peckham and Nunhead), for 2015/16, will be resolved by the opening of the 2FE Belham Primary (Free) School in the adjacent planning area which will also go some way to create a cushion of choice for places. Looking at longer term projections which show a shortfall again in 2020, at this stage it would perhaps be unwise to place further permanent expansions in this area that may not, in the long term be needed, particularly in respect of surpluses immediately adjacent to planning areas 4 and 5, the new provision being planned in Planning Area 2 (also adjacent) and the possibility of additional and the possibility of plans being brought forward in Planning Area 1 (again adjacent).
30. Under the regulations governing school alteration proposals, decision-makers – in this case the Cabinet - have the option to approve proposals, approve proposals with modifications, or to reject proposals. Approval can be conditional on certain factors, including the grant of planning permission. If conditional approval is considered, the decision-maker must set a date by which the condition should be met; however, this date can be modified before that date expires. The decision-maker must have regard to statutory guidance issued by the Secretary of State. The relevant DfE statutory guidance provides a non-exhaustive list of factors that decision makers must have regard to. The following factors are of relevance to any expansion proposals:
 - Effect on standards and school improvement
 - Demand for places
 - School size
 - Proposed admission arrangements
 - Community Cohesion
 - Travel arrangements and accessibility
 - Diversity and equal opportunities
 - Views of interested parties

- Capital funding and land
- School premises and playing fields
- Special Educational Needs (SEN) provision.

Secondary school update

31. Southwark is one of the most improved and high performing London boroughs at secondary level. In 2014, 62.5% of pupils gained 5 or more GCSEs including English and Mathematics, placing us above national levels of performance overall. See table 4 below for details. Southwark performance in English and Maths are 7.5% and 8.5% above the national average. Performance from 2011-14 has fallen nationally by 1.6%, but has increased 4.5% in Southwark, placing the authority 5.9% above the national average.

Table 4 – KS4 performance –Southwark and nationally, 2011-2014

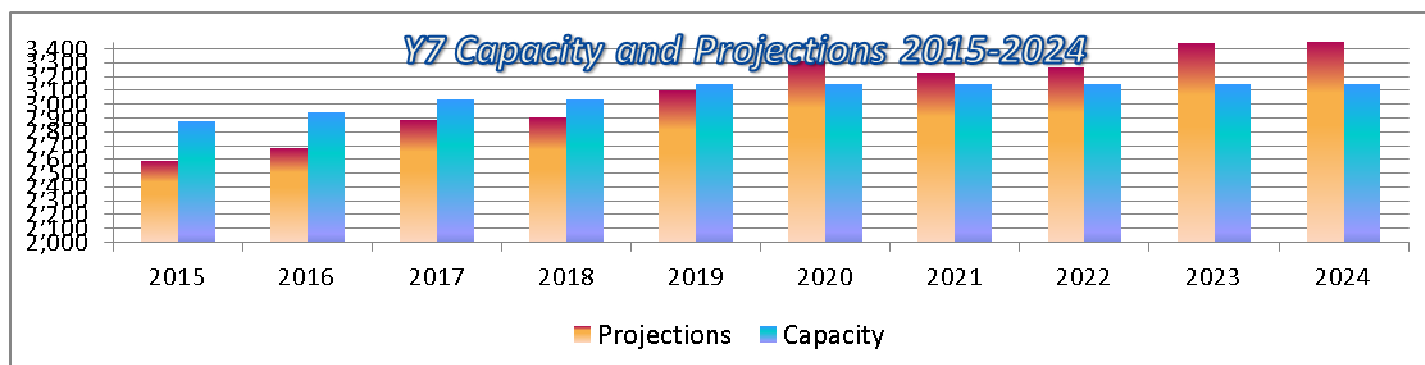
	% of pupils making expected progress		% achieving 5+ A*-C GCSEs (or equivalent) including English & Maths			
	English	Maths	2011	2012	2013	2014
England (state schools)	71.6%	65.5%	58.2%	58.8%	60.6%	56.6%
Southwark	79.1%	74.0%	58.0%	58.8%	65.2%	62.5%

(Source DfE Performance tables website, 2014)

32. At the March and July 2014 meetings, cabinet were advised that overall there is sufficient capacity within Southwark schools to meet the demand for year 7 places until 2016 but that a shortage of places is forecast from September 2017, rising steeply in subsequent years.
33. The 2015 GLA projections the council has received since then have been revised with new birth data, Y6-Y7 transfer data from primary schools, and up to date planning data. This shows that, whilst the demand is no longer as urgent in time as was previously reported to Cabinet in July 2014, additional provision will need to be in place for 2019-2020 to meet anticipated demand, with another secondary school needed by 2022-23, over and above the Charter School (East Dulwich) School on the Dulwich Hospital site identified and approved.
34. The Charter School (East Dulwich) has received DfE approval to open (most likely on a temporary site), from September 2016 onwards. The temporary site has not yet been identified but it is likely that it will not have the capacity to allow the school to open at 8FE. A smaller intake may be necessary until the new site is ready for occupation (with a target date of September 2018). No decision has yet been taken regarding the size of the initial intake but the figures below are based on a 4FE intake for the first two years.
35. Table 5 below sets out the forecast demand for secondary places over the next nine years. Since the meeting in July 2014, the following additional provision has been factored in. Other potential expansions have not (yet) been factored in until approved.
- the provision of an 8FE secondary school on the Dulwich Hospital site. 4FE in September 2016 and September 2017, and 8FE from September 2018
 - A 1FE permanent increase at St Michaels Catholic College in 2016-17
 - A 2FE temporary expansion by Kingsdale School for 2015-16.

Table 5 Secondary place demand for Year 7 2016-2024 (Source, GLA projections 2015)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Projections	2,592	2,681	2,889	2,907	3,097	3,314	3,225	3,263	3,444	3,459
Capacity	2,880	2,940	3,030	3,030	3,145	3,145	3,145	3,145	3,145	3,145
Difference (Pupils)	+301	+259	+141	+123	+48	-169	-80	-118	-299	-314
Difference (FE)	+10	+9	+5	+4	+2	-6	-3	-4	-10	-10



36. These forecasts are presented with the proviso that demand for secondary places is much less predictable than for primary places from factors, such as, the pattern of house moves among families, the housing market and fluctuations in the popularity and provision of schools both within and outside the borough. The projections are refreshed on an annual basis to maximise accuracy.
37. Secondary school roll projections are based in part on numbers already admitted to Southwark primary schools. Imports and exports to neighbouring boroughs, (mainly Lewisham and Lambeth), sit equally around 22%. The net result is that there is a high overall retention of primary aged numbers (92%) through to Southwark Secondary Schools and therefore secondary age projections are likely to be a reasonably prediction of medium to longer term demand. That said, there are a number of factors that will impact on the accuracy of ward based GLA primary school age projections, including their sensitivity to borough migration, high mobility, and the impact of new housing. Officers have undertaken an exercise to develop Southwark own projections based on GLA data, which should offer a greater degree of accuracy in terms of ward birth data, cohort retention ratios, in borough mobility, housing development and associated child yield. The exercise would be prudent to guide investment decisions and will help to support bids to the EFA.
38. It was noted that despite an overall improvement in educational performance and an increasing proportion of families gaining one of their preferences, a significant variation in the popularity of schools exists among parents, which indicates that the balance between demand and the availability of places is not evenly distributed across the borough. The lack of direct transport links between home and school, particularly in the south of the borough, also acts as a barrier to families' access to places in their preferred schools.
39. For these reasons, actual demand year on year is very closely monitored by officers to inform the scale and timing of temporary or permanent expansions, and to ensure the effectiveness and a positive impact of the same. Cabinet was informed in March and July 2014 that the future demand for secondary places could be met partly through the expansion of existing schools and partly through the construction of new school(s). As the council no longer has any directly managed secondary schools in the borough and as there is a legal requirement that new

schools will be free schools/academies, the role of the council is to assist and facilitate individual schools in developing proposals, applying for funds and implementation, rather than as direct provider.

40. The EFA has little direct knowledge of the demographic issues in the borough and will look to the council to provide guidance. The council can also influence the outcome through its liaison and partnership working with the EFA and through the town planning process. In the last 12 months, closer liaison has been achieved and it hoped that the EFA will continue to take full account of the council's views and advice on the provision of school places.
41. In autumn 2012, all secondary schools were invited to take part in an architectural study to ascertain their capacity to expand. Four popular and oversubscribed schools took part in the study – St Michaels Catholic College, City of London Academy, Bacon's College and Kingsdale School – all of which were found to have capacity to expand. Given the demand forecasts, officers went back to all Southwark's secondary schools to ascertain their appetite and capacity for expansion. St Michaels have made a successful application for expansion to the EFA, and discussions continue with other schools, as outlined in paragraphs 43-47
42. Table 5 shows that, whilst overall there is capacity within Southwark schools to meet the forecast demand for year 7 places until 2019-20, an increase in demand begins in September 2020 rising swiftly to around 10FE in 2022-23 and 2023-24. This means that any programme of permanent expansion needs to start coming through by September 2019, probably with a new school beginning operation at this time. The need for additional capacity by or beyond September 2022 needs to be kept under review. This would still leave a four year planning period, if required, and allow the decision to be more robust. A map of existing (and agreed) secondary schools is included as Appendix B.

Expansion of existing secondary schools

43. As noted in paragraph 29, all secondary schools were invited in autumn 2012 to participate in a study to assess the capacity to expand by 1FE. St Michael's Catholic College subsequently made an successful bid in January 2015 to the EFA for funds to expand, which has been factored into the above projections and capacity
44. Bacon's College has indicated a wish to consider a request to expand by 2FE, subject to a successful bid to the EFA. The council would welcome and support an expansion of Bacons College, as it is in an area where significant population growth is expected arising from new housing and it is a popular and successful school.
45. Kingsdale School have also expressed a wish to expand by 1-2FE, but the low percentage of pupils attending the school from Southwark could potentially mean any expansion at this site may not benefit Southwark pupils proportionate to the potential expenses incurred. However, the council's welcomes the interest and will continue to explore whether an expansion of benefit to Southwark pupils could be secured.
46. As the schools are both academies, they are not required to publish statutory proposals (outside of any amendments to admissions procedures) or seek local authority approval for these expansions. Based on these responses, an additional 3FE to 4FE might reasonably be expected from the existing estate, leaving scope and need for additional, new provision in the borough – around an additional 6FE would be required from 2022/23 onwards over above the planned expansions outlined above and the Charter School East Dulwich.

47. The council has been in contact with both Lewisham Council and Haberdasher's Hatcham College in regard to a piece of land in the ownership of the Haberdasher's Hatcham College, and presently used as playing fields. The College – an academy – is looking to expand and this site has been identified as a potential expansion site. The school itself is situated in Lewisham, but the playing fields are situated within Southwark, so would require planning permission from the council to proceed. Proposals are at an early stage prior to deciding what the school may wish to place at this location, and there are a number of complicating factors – the land is Metropolitan Open Land. Officers will continue to engage with Haberdashers' and Lewisham Council to clarify what is planned for this location, the possible benefit for Southwark pupils and what the effects on Southwark secondary schools – will be.

New secondary schools in Southwark

48. As mentioned in paragraph 31, the Charter School (East Dulwich) received EFA approval to open on a temporary site from September 2016 onwards. The temporary site has not yet been identified but it is likely that it will not have the capacity to allow the school to open at 8FE. A smaller intake may be necessary until the new site is ready for occupation (with a target date of September 2018). The sponsoring Trust has not yet made a decision about the size of the intake in the first two years.
49. As noted in paragraph 19, the Academies Act 2010, and Education Act 2011, an academy sponsor or free school group can apply to the EFA with a proposal for a school for their approval. The EFA only consults with (but does not seek the approval of) the local authority when the new academy or free school are proposed. The decision to open new schools therefore lies solely with the Education Funding Agency (EFA) and not the council.
50. There are a limited number of potential new school sites, all with inherent risks and opportunities, along with advantages and disadvantages. The Fire Station site in SE1 has been identified and named as a potential site as part of a Free School application by a number of free school applicant groups – officers will keep Cabinet informed as to developments in this area. Any development on this site would need to have due regard to obtaining planning permission, which is likely to take some time, give the building's listed status
51. The authority has been working closely in recent months with the EFA and have constructively engaged with them on a number of occasions to ascertain the viability of projects and the status of potential academy and free school sites across the borough – it is hoped this relationship will continue into the future and will allow the authority to have an input into the school landscape.

Statutory proposals

52. At the meeting in March 2014, cabinet approved the proposed enlargements of Albion, Bessemer Grange, Charles Dickens, Crawford, Grange and Keyworth primary schools following statutory consultation with stakeholders. In March 2015, a similar statutory process to underpin the expansion of Robert Browning, Phoenix, Ivydale and Bellenden primary schools was undertaken and approved by Cabinet. As an academy, Redriff was not required to consult on their expansion.
53. Any proposal by the local authority of an enlargement of the capacity of a non-academy school which results in an increase of 30 pupils and an increase of more than 25% or 200 pupils (whichever is the lesser) requires the publication of statutory proposals. In Southwark, all non-Academy secondary schools are voluntary aided and the necessary consultation would be managed by these

schools directly. The decision items for this report include a request for Rotherhithe Primary School to commence consultation on expanding from 2 to 3FE, with a report coming to a future cabinet meeting for approval. If St James C of E Primary governors decide to expand, this would also be the subject of statutory processes and Cabinet approval. Academies and Free Schools are not required to follow a statutory consultation process with regard to expansion. Were Bacon's College or Kingsdale School to wish to expand, they would not be required to undertake consultation on expansion proposals. Similarly, whilst the EFA will (informally) consult with authority when they have received and approved a free school application, the final decision to open the school remains the EFA's alone.

Consultation

54. If statutory proceedings to expand non-academy schools are undertaken, informal consultation will be carried out by Regeneration with individual schools, involving meetings with parents/carers, staff and governors, including a drop-in parents' meeting at all of the schools. At the formal stage, notices will be issued to the schools concerned and Southwark councillors and Southwark, Lambeth and Lewisham MPs, the Southwark Diocesan Board and Commission, and neighbouring authorities will all be written to elicit their views on the proposed expansions.

Policy implications

55. The primary planning and investment strategies are aligned to local planning and policy frameworks, including the Council Plan and Children and Young People's Plan. These outline the council's commitment to supporting schools to be outstanding, with children and young people able to achieve their full potential, and parents able to exercise real choice in a high-performing schools system.
56. When formulating the Primary and Secondary expansion programmes, the council considers the suitability of all schools in Southwark and the risks and advantages of expanding each. The risks of not expanding schools are considerable. The council has a limited scope to expand existing provision, and not expanding the schools could potentially leave the council vulnerable to legal action for not meeting its target duty to provide sufficient primary school places. Section 14 of the Education Act 1996 places a duty on local authorities to secure that there are sufficient primary and secondary school places in their area. Local authorities must ensure there are enough school places to meet needs as well as working to secure diversity of provision and increasing opportunities for parental choice.
57. Local authorities are also bound by the duty to take into account parental preference in so far as to do so avoid unreasonable public expenditure.
58. It should be noted that the situation with free school applications and academy conversions remain fluid, and that there is an end date for consideration of the 30th June 2015 – officers will, of course, make Members aware verbally of any developments post this date.

Community impact statement

59. The Public Sector Equality Duty, at section 149 of the Equality Act, requires public bodies to consider all individuals when carrying out their day to day work – in shaping policy, in delivering services and in relation to their own employees. It requires public bodies to have due regard when carrying out their activities to the need to eliminate discrimination, advance equality of opportunity, and foster good relations between people with protected characteristics and those with none. The council's Approach to Equality ("the approach") commits the council to

ensuring that equality is an integral part of our day to day business.

60. "Protected characteristics" are the grounds upon which discrimination is unlawful – the characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, gender and sexual orientation. In this case, the characteristics covering gender reassignment, marriage and civil partnership, pregnancy and maternity, and sexual orientation are unlikely to be issues we need to consider in the expansion of the schools in question.
61. The recommendations cited in items 1-7, by enabling the expansion of primary and secondary provision to meet demand have the potential to advance equality of opportunity, and foster good relations between people with protected characteristics and those with none.

Resource implications

62. The July 2014 cabinet report identified an overall available budget for the programme of £70.5m. The revised funding of £106.4m, (including proposed variations and transfers of £35.9m) at Quarter 3 2014-15 is sufficient to fund all these proposed enlargements.
63. The July 2014 cabinet report delegated the authority to the strategic director of children's and adults' services to allocate the budgets for individual primary school expansion programmes from within the existing available resources.
64. The expected budgets for the first wave of schools in this report are being met from existing identified resources. Budget allocation is made at the gateway 2 award of the contract for the construction of the school expansions.
65. Schools will be responsible for any ongoing revenue implications arising from the expansion. The Dedicated Schools Grant will fund the schools for the additional expansion class pupils via the revenue "growth fund" in the first financial year of expansion (agreed by the Schools Forum); and thereafter via the schools funding formula. The "growth fund" is agreed annually by the Schools Forum and funded through a top-slice from the Dedicated Schools Grant (DSG). It should be noted that different arrangements apply to some academies and free schools, who are funded by the EFA based on estimated numbers with funding recouped from the DSG allocation. LA's received an additional DSG cash transfer in 2015-16 to offset these costs but no commitment has been made in relation to future years; it is likely that these costs will need to be met from existing DSG resources.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Legal Services

66. The council's general duty in relation to securing sufficient school places in its area, and its functions in relation to making alterations to its existing maintained schools, is described in the body of the report.
67. Cabinet is reminded that the public sector equality duty under section 149 Equality Act 2010, as set out in the Community Impact section of the report, applies to the exercising any of its functions.

Strategic Director of Finance and Corporate Services (FCS15/012)

68. The strategic director of finance and corporate services notes the updated strategy for pupil place planning and that the capital financial implications are set

out within the council's capital programme and revenue costs are met from the DSG.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Primary Investment Strategy – Report to Cabinet July 2013	Council Offices, 160 Tooley Street, London, SE1 2QH	Merril Haeusler, 020 7525 3755
Link http://moderngov.southwark.gov.uk/documents/s39446/Report%20Primary%20Investment%20Strategy.pdf		
Primary Investment Strategy Update – report to Cabinet member for Children’s Services - January 2014	Council Offices, 160 Tooley Street, London, SE1 2QH	Merril Haeusler, 020 7525 3755
Link http://moderngov.southwark.gov.uk/documents/s43491/Report.pdf		
School Places Strategy Update – report to Cabinet member for Children’s Services - March 2014	Council Offices, 160 Tooley Street, London, SE1 2QH	Merril Haeusler, 020 7525 3755
Link http://moderngov.southwarksites.com/documents/s45063/Report%20School%20Places%20Strategy%20Update.pdf		
Permanent enlargement of Albion, Bessemer Grange, Charles Dickens, Crawford, Grange and Keyworth primary schools – considering the initial consultation and agreeing the publication of statutory notices - March 2014	Council Offices, 160 Tooley Street, London, SE1 2QH	Andy Brown 020 7525 3755
Link http://moderngov.southwarksites.com/documents/s45064/Report%20Permanent%20enlargement%20of%20primary%20schools.pdf		
School Places Strategy Update–report to Cabinet member for Children’s Services - July 2014	Council Offices, 160 Tooley Street, London, SE1 2QH	Andy Brown 020 7525 3755
Link http://moderngov.southwarksites.com/documents/s47494/Report%20School%20Places%20Strategy%20Update.pdf		
School Organisation – Statutory Guidance for proposers and decision-makers - January 2014 – DfE	Council Offices, 160 Tooley Street, London, SE1 2QH	Ric Euteneuer 020 7525 5018
School Organisation - Maintained Schools Annex A: Further information for proposers - January 2014 - DfE	Council Offices, 160 Tooley Street, London, SE1 2QH	Ric Euteneuer 020 7525 5018
School Organisation Maintained Schools Annex B: Guidance for Decision-makers - January 2014 – DfE		
Links https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/278418/School_Organisation_Guidance_2014.pdf https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/278420/School_Organisation_Guidance_2014_-_Annex_A.pdf https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/278422/School_Organisation_Guidance_2014_-_Annex_B.pdf		
The Essential Guide to the Public Sector Equality Duty 3rd edition April 2011, updated: January 2015	Council Offices, 160 Tooley Street, London, SE1 2QH	Ric Euteneuer 020 7525 5018
Link http://www.equalityhumanrights.com/sites/default/files/publication_pdf/PSED%20Essential%20Guide%20-%20Guidance%20for%20English%20Public%20Bodies.pdf		
School Organisation (Prescribed Alterations to Maintained Schools) (England) Regulations 2013	Council Offices, 160 Tooley Street, London, SE1 2QH	Ric Euteneuer 020 7525 5018
Link http://www.legislation.gov.uk/uksi/2013/3110/pdfs/uksi_20133110_en.pdf		

APPENDICES

No.	Title
Appendix A	List of primary schools by planning area
Appendix B	Map of Primary Schools in the borough
Appendix C	Map of Secondary Schools in the borough

AUDIT TRAIL

Cabinet Member	Councillor Victoria Mills, Cabinet Member for Children and Schools		
Lead Officer	Kerry Crichlow, Director of Strategy & Commissioning		
Report Author	Ric Euteneuer, School Place Planning Strategy Officer		
Version	Final		
Dated	9July 2015		
Key Decision?	Yes		
CONSULTATION WITH OFFICERS/DIRECTORATES /CABINET MEMBER			
Officer Title	Comments sought	Comments included	
Director of Legal Services	Yes	Yes	
Strategic Director of Finance and Corporate Services	Yes	Yes	
Cabinet Member	Yes	Yes	
Date final report sent to Constitutional Team		9 July 2015	

APPENDIX A

List of schools by Planning Area

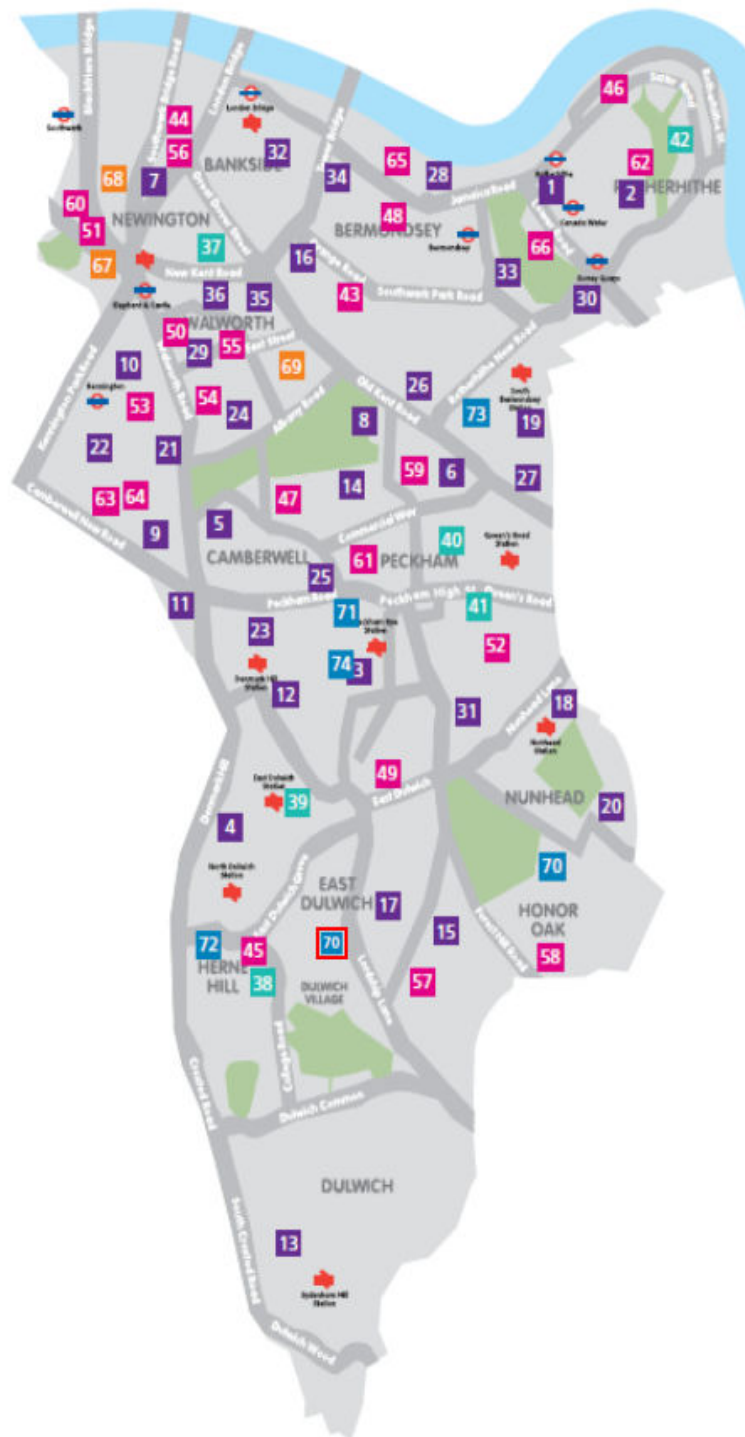
Name of Planning area (PA)	Council Wards	Primary Schools in PA
1. Borough, Bankside & Walworth	Cathedrals Chaucer East Walworth Faraday Newington	Cathedral School RC Charles Dickens Charlotte Sharman Cobourg Crampton English Martyrs RC Friars Keyworth Michael Faraday Robert Browning St Georges Cathedral C of E St Johns Walworth C of E St Joseph's 0339 St Jude's St Paul's St Peters Surrey Square The Globe Academy Townsend Victory
2. Bermondsey & Rotherhithe	Grange Livesey (part) Riverside Rotherhithe South Bermondsey Surrey Docks	Albion Alfred Salter Boutcher C of E Galleywall (<i>to open Sep 2016</i>) Grange Ilderton Peter Hills with St Mary's & St. Paul's C of E Phoenix Pilgrims Way Redriff Riverside Rotherhithe Snowsfields Southwark Free School Southwark Park St James C of E St Johns R.C. Primary School St Joseph's RC 014B St Joseph's RC 026 Tower Bridge
3. Peckham & Nunhead	Livesey (part) Nunhead Peckham Peckham Rye The Lane	Bellenden Camelot Gloucester Harris Academy Peckham Park Harris Primary Free School Peckham Hollydale Ivydale John Donne Rye Oak St Francesca Cabrini RC

Name of Planning area (PA)	Council Wards	Primary Schools in PA
		St Francis RC Primary School St James The Great RC St John's & St Clements St Mary Magdalene
4. Camberwell	Brunswick Park Camberwell Green South Camberwell	Belham (<i>to open Sep 2015</i>) Bessemer Grange Brunswick Park Comber Grove Crawford Dog Kennel Hill John Ruskin Lyndhurst Oliver Goldsmith St Georges C of E St Joseph's 046 Infants St Joseph's 046 Junior
5. Dulwich	College East Dulwich Village	Dulwich Wood Primary Dulwich Hamlet Junior Dulwich Village Infants (CofE) Goodrich Goose Green Heber Harris Primary East Dulwich Judith Kerr Free School St Anthony's RC

MAP OF PRIMARY SCHOOLS IN THE BOROUGH

Map of primary schools in Southwark

Map of primary schools in Southwark



Community primary schools

- 1 Albion Primary School
- 2 Alfred Salter Primary School
- 3 Bellenden Primary School
- 4 Bessemer Grange Primary School
- 5 Brunswick Park Primary School
- 6 Camelot Primary School
- 7 Charles Dickens Primary School
- 8 Cobourg Primary School
- 9 Comber Grove Primary School
- 10 Crampton Primary School
- 11 Crawford Primary School
- 12 Dog Kennel Hill Primary School
- 13 Dulwich Wood Primary School
- 14 Gloucester Primary School
- 15 Goodrich Primary School
- 16 Grange Primary School
- 17 Heber Primary School
- 18 Hollydale Primary School
- 19 Ilderton Primary School
- 20 Ivydale Primary School
- 21 John Ruskin Primary School
- 22 Keyworth Primary School
- 23 Lyndhurst Primary School
- 24 Michael Faraday Primary School
- 25 Oliver Goldsmith Primary School
- 26 Phoenix Primary School
- 27 Pilgrim's Way Primary School
- 28 Riverside Primary School
- 29 Robert Browning Primary School
- 30 Rotherhithe Primary school
- 31 Rye Oak Primary School
- 32 Snowfields Primary School
- 33 Southwark Park School
- 34 Tower Bridge Primary School
- 35 Townsend Primary School
- 36 Victory Primary School

Academies

- 37 ARK Globe Academy
- 38 Dulwich Hamlet Junior School
- 39 Goose Green Primary School
- 40 Harris Primary Academy, Peckham Park
- 41 John Donne Primary School
- 42 Redriff Primary School

Voluntary aided schools

- 43 Boucher Church of England Primary School
- 44 The Cathedral School of St Saviour and St Mary Overie
- 45 Dulwich Village C of E Infants' School
- 46 Peter Hills with St Mary's and St Paul's C of E Primary School
- 47 St George's C of E Primary School
- 48 St James' C of E Primary School
- 49 St John's and St Clement's C of E Primary School
- 50 St John's Walworth C of E Primary School
- 51 St Jude's C of E Primary School
- 52 St Mary Magdalene C of E Primary School
- 53 St Paul's C of E Primary School
- 54 St Peter's Walworth C of E Primary School
- 55 English Martyrs' Catholic Primary School
- 56 Saint Joseph's Catholic Primary School, The Borough
- 57 St Anthony's Catholic Primary School
- 58 St Francesca Cabrini Primary School
- 59 St Francis Catholic Primary School
- 60 St George's Cathedral Catholic Primary School
- 61 St James the Great Catholic Primary School
- 62 St John's Catholic Primary School
- 63 St Joseph's Catholic Infants' School
- 64 St Joseph's Catholic Junior School
- 65 St Joseph's Catholic Primary School, George Row
- 66 St Joseph's Catholic Primary School, Gomm Road

Foundation schools

- 67 Charlotte Sharman Primary School
- 68 Friars Primary Foundation School
- 69 Surrey Square Primary School

Free schools

- 70 Harris Primary Academy East Dulwich
- 71 Harris Primary Free School Peckham
- 72 Judith Kerr Free School
- 73 Southwark Free School
- 74 The Belham Primary School
- 70 Harris Primary Academy East Dulwich (New site)

MAP OF SECONDARY SCHOOLS IN THE BOROUGH

Map of secondary schools in Southwark

Map of secondary schools in Southwark

Key

- Academies
- Church of England
- Catholic
- Free

The schools

- 1 ARK All Saints Academy
- 2 ARK Globe Academy
- 3 Bacon's College
- 4 Compass School Southwark
- 5 Harris Academy Bermondsey
- 6 Harris Academy Peckham
- 7 Harris Boys' Academy East Dulwich
- 8 Harris Girls' Academy East Dulwich
- 9 Kingsdale Foundation School
- 10 Notre Dame RC Girls' School
- 11 Sacred Heart Catholic School
- 12 St Michael's Catholic College
- 13 St Saviour's and St Olave's School
- 14 St Thomas the Apostle College
- 15 The Charter School
- 16 The City of London Academy
- 17 University Academy of Engineering South Bank
- 18 Walworth Academy
- 19 Charter School East Dulwich site



Item No. 12.	Classification: Open	Date: 21 July 2015	Meeting Name: Cabinet
Report title:		Progress Update on the Council's Housing Investment Plans	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Richard Livingstone, Housing	

FOREWORD – COUNCILLOR RICHARD LIVINGSTONE, CABINET MEMBER FOR HOUSING

Getting the council's plans for housing investment right is fundamental to the delivery of our vision of a Fairer Future for All in Southwark, as it both enables the council to fulfill its promise to build 11,000 new council homes by 2043 and its promise to improve our existing housing stock by ensuring that they are Warm, Dry and Safe and by providing quality kitchens and bathrooms for all our tenants.

This report sets out the way forward for both of these key priorities.

As part of the work to **build new council homes**, at council rents, this report sets out the progress made to date in delivering those homes and in engaging the community on future sites. It also recommends that the council explore the potential for the development of different models of intermediate housing to complement the provision of new council homes.

To assess the **investment needs of our current stock**, the report includes detail from the evaluation of those homes by Savills. This assessment identifies the levels of investment that will be needed to bring those homes up to a good standard. Where estates are identified as High Investment Needs Estates, the council will work with residents to find the best approach. As with the Four Squares Estate, Hawkstone Estate and Maydew House, the council's preferred solution would be to retain these estates and it would only consider more radical redevelopment as a last resort.

Following the cabinet decisions, detailed work will be undertaken to enable the October meeting of Cabinet to consider options on the **major works programme** for 2016/17 and onwards. This report will include a detailed draft programme of the work to be carried out, including that needed to ensure homes remain Warm, Dry and Safe; to provide quality kitchens and bathrooms to all our tenants; and to consider other investment options such as external decorations. Tenants and residents will then be consulted on the draft programme to give their input, for Cabinet to take final decisions in March.

To enable us to make further progress on these areas, the report recommends the establishment of a detailed **Affordable Funding Plan** to effectively marshal the resources available to the council to deliver these priorities. This plan will also need to carefully consider the impact on the Housing Revenue Account of the announcements regarding council rents made by the Chancellor of the Exchequer in his budget on 8 July.

To deliver this ambitious investment, it will also be necessary to borrow money in the early years of the programme, and then pay back that borrowing through the fruits of that investment later on. To allow for this, the report recommends an increase of the borrowing headroom of the Housing Revenue Account to allow further borrowing of up to £176.2m.

RECOMMENDATIONS

That the cabinet notes:

1. The housing investment plan progress update.
2. That progress has been made to increase borrowing headroom within the Housing Revenue Account (HRA) to £176.2m.
3. The response from the Futures Steering Board on the council's housing investment plans at Appendix 3. Cabinet thanks them for their detailed and thoughtful contribution.

That the cabinet agrees:

4. That the council determine a detailed affordable funding plan to support housing investment in new council homes and the existing stock to include the utilisation of all relevant council receipts, commuted sums and revenue contributions, as well as additional borrowing within the available headroom within the Housing Revenue Account (HRA).
5. For the production of a HRA asset management strategy for consultation with residents.
6. To explore the potential for development of intermediate housing products through the Southwark Housing Company to meet strategic needs and to make a financial contribution to the housing investment programme.
7. A further progress update on the ongoing consultation is brought back to November cabinet on the outcome of that exercise.

BACKGROUND INFORMATION

8. In January 2014 cabinet agreed the vision for a new housing strategy and plans for developing a new borough-wide housing strategy for Southwark. The vision emerged from the extensive community conversations on the future of council housing following publication of the independent Housing Commission's report.
9. The July 2014 cabinet report "Next Steps on Developing Long Term Plans for the Delivery of New Council Homes" established a clear direction of travel for the delivery of both new council homes, and investment in the existing housing stock. Among other actions, the Strategic Director of Housing and Community Services was instructed to:
 - Undertake a comprehensive review appraisal of the overall performance of current Housing Revenue Account (HRA) assets
 - Establish a wholly owned and controlled council 'vehicle'.

10. On 27 January 2015 cabinet agreed its new long term housing strategy for the borough, to 2043, probably the first such attempt to develop a long-term housing plan in London for many years. The housing strategy sets the overarching framework for increasing housing supply, transforming housing conditions in Southwark across all tenures, and responding to the borough's housing needs. A single page summary of the strategy is included as Appendix 1.
11. The housing strategy contains specific commitments for increasing housing supply, including building 11,000 new council homes for social rent by 2043 (including 1,500 by 2018), 'delivering the successor to our 'warm, dry and safe' housing investment programme', as well as taking a longer term view of measures to improve the housing stock over the duration of the strategy.
12. Reports on introducing new standards for houses in multiple occupation, and the implementation of discretionary licensing in the private rented sector elsewhere on this meeting agenda, set out details of the council's plans for improving standards in the private rented sector, demonstrating Southwark's commitment to Principle 2 of the Housing Strategy: 'We will demand the highest standards of quality, making Southwark a place where you will not know whether you are visiting homes in private, housing association or council ownership.'
13. On 25 February 2015 Council Assembly endorsed the Council Plan to 2017/18 which included the Fairer Future Promise- **Quality affordable homes**, which states 'We will improve housing standards and build more homes of every kind, including 11,000 new council homes with 1,500 built by 2018. We will make all council homes warm, dry and safe and start the roll out of our quality kitchen and bathroom guarantee.'
14. We have set out our vision for the future of council housing and begun our detailed conversation with residents about this. We've also started delivering the new council homes and taken the first step in lining up our investment plans to fund future housing delivery. We've also set up our new housing company that will give an additional tool upon which to secure future build. However we now need to go further and begin the conversation with residents on where future building specifically takes place. We also need to use every tool at our disposal (in line with our new housing strategy) to achieve our 11,000 and 1,500 homes ambitions.
15. This means using additional borrowing (within the headroom available) to secure the future investment in order to build the new homes the borough needs. This requires exploring the potential for using the Southwark Housing Company to provide intermediate housing products. It also means having a HRA asset management strategy that combines our ongoing plans for quality kitchens and bathrooms alongside future housing investment opportunities. This is what this report and the decisions within it seeks to achieve.
16. Supporting these ambitions is a separate report on this cabinet agenda setting out key principles and a protocol for developing new council homes in partnership with residents.

Purpose of this report

17. This report sets out details of progress on the council's housing investment plans, and delivery of Fairer Future Promise 3, specifically providing:
- An update on the community conversation with residents on plans for delivery of new council homes
 - An update on progress on 11,000 new council homes delivery, and particularly on the target to deliver 1,500 of these homes by 2018
 - Progress on making all council homes warm, dry and safe, and the roll out of the quality kitchens and bathroom guarantee
 - Confirmation of the establishment of the Southwark Housing Company and an update on how it may be utilised in future.
18. It also sets out:
- The council's work on establishing an asset management plan
 - The council's future housing investment plans
 - Engagement conducted with the Future Steering Board on the council's investment plans to date
 - Details of the 30 year HRA business plan model.

KEY ISSUES FOR CONSIDERATION

Engagement with residents on plans for delivery of 11,000 council homes

19. The council has committed to a four-stage consultation approach to ensure residents' views remain central to decisions relating to the delivery of the 11,000 new council homes.

	11,000 council homes – stages of public consultation	Time frame
Stage 1	Charter of Principles	August – October 2014
Stage 2	Borough-wide principles for development	January – September 2015
Stage 3	Estate-by-estate/ site specific engagement	Autumn 2015 onwards
Stage 4	Engagement with local residents around involvement in management of new homes	TBC – as various projects near completion

20. Stage 1 of the consultation was completed in October 2014, with cabinet approving the resulting Charter of Principles - a framework for consulting residents of Southwark on the on-going delivery of 11,000 new council homes - on 18 November 2014. Over 2,000 responses were received at this stage of consultation, demonstrating the potential for resident involvement in this historic project. Stage 2 of the consultation is now underway with the aim of establishing borough wide principles for development; focusing on 3 key questions:
- Where can we build the 11,000 new council homes?
 - What should these homes look like?
 - How can we make these homes and neighbourhoods better places to live?

Where can we build the 11,000 new homes?

21. The council has produced an interactive map, which can be found at the following link: <http://southwark.communitymaps.org.uk/>. This allows residents to make suggestions for where the 11,000 new council homes could be built. The map also allows for residents to see where the council already has plans to develop via its direct delivery team. This map has been promoted via the public website, reports to area housing forums, newsletters to tenant and resident associations, posters in libraries and estate notice boards as well as via flyers handed out by officers out on estates.
22. From February to date there have been 6,517 views of the map, 976 unique users who have left 72 comments (68 suggesting where to build, 4 where not to). The list of suggested sites will be passed on both the direct delivery and regeneration in partnership teams for investigation into their feasibility.
23. We will continue to promote the map during our summer programme of community conversations in order to achieve further suggestions about sites for new council homes. We would like to achieve as many comments as possible about where to build new homes, and at least in excess of 100.

What should the new homes look like and how can we make these new homes and neighbourhoods better places?

24. Residents are now being asked to give their views on a number of design-related questions (a full version of the design survey can be located in **Appendix 2** of this report) that cover a number of areas including - facilities in communal areas, design elements within a home (open plan, dual aspect etc.), what makes a home family-friendly, and what estate or neighbourhood facilities could improve residents' health and wellbeing.
25. The council is asking residents these questions through a variety of means including community conversation events at shopping centres and other community events such as the Bermondsey and Eid festivals, reports to area housing forums, sessions at community councils and the Southwark Group of Tenant Organisations (SGTO), outreach workshops with traditionally under-represented groups, a special joint tenant and homeowner council meeting, an online survey and promotion via frontline officers.
26. We will also be taking the opportunity to inform residents about the Government's new *technical housing standards – nationally described space standard*, to improve residents' understanding of what can be prescribed by the council and what the council is obligated to adhere to.
27. The results of this stage of the consultation will be presented to cabinet this autumn. Residents' views on design will also be presented to officers responsible for drafting both planning documents and guidance for architects involved in the design of the 11,000 new homes.

Stage 3 Estate-by-estate/ site specific engagement

28. Planning for Stage 3 of the 11,000 new council homes consultation is also now underway with consultation plans for each new direct delivery site in Phase 3 being established, in line with the Charter of Principles. This has involved bringing together officers in major works, operations and community engagement

to build a location-specific plan of engagement and cooperate in its delivery. The focus is to ensure that residents and all local stakeholders are involved in the development of the new homes.

29. Experience from previous regeneration schemes is that residents prefer 1-2-1 meetings (such as drop in sessions or home visits) as they primarily want to discuss their particular circumstances. Fuller involvement is more effective through a small group of resident representatives, and public events are better as small focus group sessions than as large meetings. Residents have also expressed preferences for newsletters and webpages as a means of updating them.
30. As such the proposed engagement process will employ 3 main formats through the various stages:
 - Inform: using written communication to impart information to stakeholders
 - Consult: getting stakeholders views through drop in sessions or small focus group sessions
 - Engage: working with stakeholder groups on the finer details of the proposals.
31. More details of the proposed site-specific resident engagement process is set out in the cabinet report 'key principles and protocol for developing new council homes in partnership with residents' elsewhere on this meeting agenda.

Future Steering Board

32. The Future Steering Board (FSB), a group of tenants and leaseholders nominated by their respective tenant and homeowner councils, supported by an independent resident's friend, continues to play a crucial role in providing detailed feedback to the council's policies and proposals in this area. The FSB meet fortnightly and have received briefings or workshops on a variety of issues from the non – financial sustainability model (see paragraphs 71-75 for more detail) to the setting up of the new Southwark Housing Company. A detailed formal response on the council's housing investment plans as detailed in this report has been received from the FSB. This is attached as **Appendix 3**. The FSB's response welcomed the council's approach to working closely with tenants and residents to identify potential sites for new council homes, and the progress made in delivering warm, dry and safe improvement works. Their response also notes their input into the design brief for new homes, and their receipt of briefings on a number of topics relating to the council's housing investment plans.

Progress on delivering new council homes

33. On 22 July 2014 the cabinet agreed a report on progress in developing the long term plans for the delivery of new council homes. This report provided an update on the delivery of 11,000 new homes and the early sites that are already in progress. A further report on the commitment to building 1,500 of the new council homes by 2018 went to cabinet in December 2014.
34. Following cabinet's decision, consultation with staff was undertaken to combine the housing delivery team into the major works team in the housing and community services department. The new homes delivery team itself consists of

11 established posts with an interim Development Delivery manager, with extensive experience of leading and managing development programmes within Registered Social Housing providers in place with permanent recruitment to the post now underway.

35. A Delivery Programme Board (DPB), chaired by the strategic director housing & community services, oversees the delivery of the programme by:
 - Annually agreeing the appraisal assumptions for individual schemes
 - Each meeting agreeing, if available, individual schemes subject to costs and funding being available from the totals approved by the council's Housing Investment Board. If any schemes have to be approved under emergency arrangements these will be ratified at the next meeting.
 - Each quarter to receive a report on units completed and in each stage of development by individual scheme to show progress towards the 1,500/11,000 targets
 - Each quarter to receive a report on forecast spend on individual schemes compared to budget along with a summary showing the cumulative impact on the programme. For cases where spend is forecast to be above that approved for any scheme, including its approved contingency, an explanation will be given for the overspend along with how the overspend will be funded.
 - Each quarter to receive a report on availability and use of Right to Buy (RTB), S106 receipts and other grant(s) including explanations of major changes since the last report.
 - Each meeting to be notified of any major events which may impact on the deliverability of the programme such as finding a site is seriously environmentally polluted or changes in government policy.
36. A bespoke appraisal model is being utilised as an important tool in assessing scheme viability and in addition provides the opportunity to bring together individual scheme projections so we can better assess the wider impact on delivering the overall programme and the resources required to support delivery, either through combinations of the following: grant; RTB receipts; Section 106 contributions; borrowing within the HRA, or borrowing within the Housing Revenue Account (HRA) or within a subsidiary.
37. Scheme appraisals are considered by the board at key stages in scheme progress to ensure viability throughout the development lifecycle.
38. The council has no current formal arrangements or frameworks in place to deliver the programme beyond the current phase, although these are currently being developed.
39. The sites that are already in development have utilised the Improvement and Efficiency South East (IESE) consultancy and contractor frameworks established to assist local authorities in the south-east of England to deliver capital projects collaboratively and with improved efficiencies. This has comprised a lead consultant appointment to coordinate design and technical inputs, and a two stage open-book Design & Build contracting route to deliver enabling and mains works packages. This procurement route has initially offered a quick route into delivery through the IESE approach to two-stage tendering. There are some concerns that this approach has been too drawn out on the early projects and that a more defined and shorter process should be adopted for future projects.

40. External services required including architects, employers' agents (incorporating a number of key roles such as quantity surveyor, structural engineer etc.) for Phase 2 are to be procured through existing OJEU compliant Registered Provider frameworks (Hyde and Peabody) or in accordance with the council's Contract Standing Orders through competitive quote or tender. For some services existing council held supplier lists may include appropriate operators with the capacity to deliver such services.
41. Consideration of the procurement options for contractors and the frameworks available are continuing prior to options being presented for approval.

Progress on delivering 1,500 homes by 2018

42. The council has set an ambitious target to deliver 11,000 new council homes by 2043, with the first 1,500 of these by 2018. 42 new council homes had been delivered as at 31 March 2015, as set out below:

Development stage	SCHEME NAME	RESIDENTIAL UNIT NUMBERS						
		Soc rent	Temp Acc	Int sale	Sale	Count to 1500	TOT	Other units/ description
Completed	14a-18 Firbank Rd	3				3	3	
	125 Peckham Park Road	16				16	16	
	Hidden Homes Delivered	23				23	23	
	TOTAL	42	0	0	0	42	42	

43. **Phase 1** covers 9 different sites, all of which are already on site excluding Sumner Road. Willow Walk is completing shortly. The majority of the remaining units on site are forecast to complete around the end of the financial year. Phase 1 sites are set out below:

Development state	SCHEME NAME	RESIDENTIAL UNIT NUMBERS						
		Soc rent	Temp Acc	Int sale	Sale	Count to 1500	TOT	Other units /description
On site	Willow Walk (GN)	21				21	21	
	Willow Walk (SSA)		54			54	54	
	Gatebeck House	9				9	9	
	Southdown House (SO)			8		0	8	
	Southdown House (GN)	10				10	10	
	Clifton Estate Garages	8				8	8	
	Cator Street Extra Care	42				42	42	
	Masterman House Garages (Rent)	15				15	15	
	Masterman House Garages (Private)	0			10	0	10	
	169 Long Lane	21				21	21	Commer-cial unit
	Nunhead Site B	8				8	8	
		134	54	8	10	188	206	

Development state	SCHEME NAME	RESIDENTIAL UNIT NUMBERS						
		Soc rent	Temp Acc	Int sale	Sale	Count to 1500	TOT	Other units /description
Planning Approved	Sumner Road (Rent)	50		20	42	50	112	
	Sumner Road (Community)					0	0	Community Centre
	TOTAL	50	0	20	42	50	112	

44. Cost estimates for phase 1 are £75m, excluding land. These are expected to be funded from s106, RTB receipts, GLA funding and other capital programme funding. Phase 1 is expecting to deliver 238 homes towards the target of 1,500 council homes by 2018. In addition it will deliver 52 homes for sale, 28 intermediate homes, a community centre and a commercial unit. The new council homes are all to be let at target (council) rents.
45. **Phase 2** consists of 13 sites that have been identified by the council as potential sites for new homes pending further investigation and consultation with residents. These schemes have been agreed by the Programme Delivery Board to be worked up to planning stage and are expected to be on site around autumn 2016. The cost of delivering Phase 2 based on the capacity studies and using an appraisal model is estimated to be around £71m, excluding land. Phase 2 is currently expected to deliver 237 homes towards the target of 1,500 homes. In addition it will deliver 88 homes for sale, 34 intermediate homes and a commercial unit. Current funding assumptions are that these will be funded from s106, RTB, and other capital programme funding. Receipts of around £30m are expected on current estimates from the units for sale / intermediate housing. About half the costs are forecast to be met through s106 and RTB receipts. Phase 2 sites are set out below:

Development stage	SCHEME NAME	RESIDENTIAL UNIT NUMBERS					
		Soc rent	Int sale	Sale	Count to 1500	TOT	Other units / description
Pre Planning	Daniels Road Car Park	14			14	14	
	Lugard Road Garages	2			2	2	
	Fenham Road Garages	5			5	5	
	Haddonfield Garages	24			24	24	
	Commercial Way	56	20	40	56	116	
	Pelier Street	17			17	17	
	Welsford Street Garages	12			12	12	
	Meeting House Lane	19		13	19	32	
	Goschen Estate	16	14	14	16	44	
	Canada Estate	35	0	21	35	56	
	Tenda Road Car Park	11			11	11	
	35-41 Nunhead Lane	10			10	10	
	Kinglake Street Garages	16			16	16	Commercial unit
	TOTAL	237	34	88	237	359	

46. **Phase 3** sites are due to go to cabinet in September for approval and are currently estimated to deliver in excess of 200 units in total. Resident consultation in partnership with the community engagement team has begun on

these sites in line with Charter of Principles agreed by cabinet.

47. In consultation with local residents the council will also be developing additional homes in conjunction with major refurbishment works at Lakanal on Sceaux Gardens which will provide a new build opportunity on a site identified by local residents. At Maydew House on Abbeyfield Estate there are plans to build on top of the existing block and by relocating an existing community user to the ground floor of Maydew, this releases a sizeable area of land for council housing redevelopment. At Lakanal the new build work will start in 2016, finishing in 2017. Maydew House is due to start late in this financial year and continue until 2019. Details of the development programme for Lakanal and Maydew House are set out below:

Development stage	SCHEME NAME	RESIDENTIAL UNIT NUMBERS						
		Soc rent	Temp Acc	Int sale	Sale	Count to 1500	TOT	Other units/ description
Lakanal	Lakanal Refurbishment	88		3	7	0	98	Refurb only
	Lakanal Undercroft	0				0	0	New non-residential units
	Lakanal New Build	7		3	18	7	28	
	TOTAL	95	0	6	25	7	126	

Development stage	SCHEME NAME	RESIDENTIAL UNIT NUMBERS						
		Soc rent	Temp Acc	Int sale	Sale	Count to 1500	TOT	Other units/ description
Maydew	Maydew Refurbishment	73			71	0	144	Refurb only + Community centre
	Maydew House Extension				16	0	16	
	Maydew New Build	60				60	60	Estimate
	TOTAL	133	0	0	87	60	220	

48. The hidden homes programme continues to deliver new council homes, with recently completed homes being delivered alongside WDS works on the Dickens Estate.
49. As well as further direct delivery sites being identified, the council is in negotiation with a number of developers to purchase council homes developed through s106 requirements. Council homes are also being delivered as part of wider regeneration projects. A report on the Council's Southwark Regeneration in Partnership Programme is expected to be submitted to Cabinet in September 2015 and will have the potential to deliver more than 500 new Council homes. A number of sites are progressing through the development and appraisal stage. Ward Members are being briefed and consultation meetings are being arranged for July and September 2015.
50. The Southwark Regeneration in Partnership Programme (SRPP) team is responsible for larger scale estate regeneration including joint ventures with

developers or housing associations. The current assumption is that these schemes will be cost neutral over the delivery lifetime of the schemes. A number of these sites are at feasibility stage but have yet to go to the Delivery Programme Board for approval:

- Albion St (Civic Centre site)
- Albion Primary School Land
- Manor Place Shops
- Copeland Road car park
- Brandon Baptist Centre
- Angel Oak Academy (former Gloucester Primary School) – development of surplus land
- Braganza Street Workshops.

51. The Leathermarket JMB is also working on proposals for developments at two sites.
52. Work continues on both the identification of potential sites and the realisation of those sites into the pipeline as potential new council homes.

Formation of the Southwark Housing Company

53. In April 2015 the Leader of the Council formally approved to the formation of the new Southwark Housing Company by way of an individual decision making (IDM) report: Formation of Housing Company. The recommendations of the report were as follows:
 - That the Leader of the Council agrees officers set up a company limited by shares with a £1 share issued to the council for the purpose of delivering new homes. The proposed name of the company is Southwark Housing Company Limited.
 - That the Leader of the Council agrees to the appointment of three initial directors for the company: Strategic Director of Housing and Community Services, Strategic Director of Finance and Corporate Services and Director of Legal Services.
54. Southwark Housing Company (SHC) Limited was formally incorporated as a wholly owned subsidiary of the Council on the 15 May 2015 with three company directors as set out in the IDM report.
55. As detailed in the report the company currently has the model memorandum and articles and these will be developed prior to any trading taking place.
56. The company is 100% owned by the council. It will be able to contribute towards the delivery of council properties at council rent, intermediate housing products, as well as market rent housing in order to provide cross-subsidy within overall schemes.
57. One for one Right to Buy receipts cannot be used in SHC as it is a wholly owned subsidiary of the Council. However, subject to the specific wording of the agreement, cash in lieu of Section 106 funds can be used. Other grants that may be available, e.g. from the GLA, will be considered on a case by case basis.

58. While the general principles of the finances of developing schemes in SHC have been considered in order to show that developing in SHC is viable, it is considered that the best approach is to look at individual schemes on a case by case basis and then decide whether it is appropriate to develop it within the HRA, General Fund or SHC.
59. It is proposed to explore the potential for development of intermediate housing products through the Southwark Housing Company to meet the borough's strategic housing needs, and also to make a financial contribution to the housing investment programme.

Asset Management Strategy

Progress on Warm, Dry and Safe investment programme, including quality kitchen and bathroom guarantee

60. On the 18 October 2011 Cabinet agreed a detailed five year housing investment programme to deliver Warm, Dry and Safe (WDS) homes. The key components of the programme are:
 - The main WDS estates and street properties programme (electrics, windows, roofs, bathrooms, doors, and boilers, as well as other external repairs)
 - Lift, individual boiler, district heating and electrical works programmes
 - The existing investment two-year programme and the high priority fire risk assessment schemes
 - Expenditure on major voids and voids capitalisation.
61. The programme is based on WDS principles and this equates to the Government's Decent Homes Standard. These principles are:
 - **Warm** – modern functioning heating, well-insulated roofs, windows in good condition or double-glazed with secure locks, sliding window vents and restrictor hinges where needed, draught excluders on front doors, cavity wall insulation
 - **Dry** – roofs, windows and building fabric in good condition, free from water penetration and damp
 - **Safe** – modern electrics including rewiring where necessary, secure front doors (fire rated where necessary).
62. The programme is expected to be fully committed by March 2016 with spend on the programme in excess of £280m to the end of March 2015. Projected spend for 15/16 on WDS and kitchens and bathrooms is £220m. The delivery of WDS homes forms part of the Fairer Future Promise – **Quality affordable homes**. This promise also includes starting the roll out of our quality kitchen and bathroom guarantee. The kitchens and bathrooms programme was due to start in April 2016, at the conclusion of the WDS programme. However Cabinet took the decision to start the programme early alongside the final year of the WDS programme in 2015/16.
63. The council has been undertaking a substantial programme to reduce fire risk. Work has been undertaken to reduce the highest risk in high rise properties and work is also being undertaken to reduce substantial risk in medium rise properties alongside the WDS programme. Cabinet has also agreed to install sprinkler systems into sheltered and hostel accommodation and of LD2 type

automatic battery powered smoke/heat detection to council homes cross the borough starting with the highest priority. Southwark continues to prioritise future work to reduce fire risk in discussion with the London Fire Brigade.

Outcome of Savills' asset performance evaluation

64. Savills consultancy was instructed to carry out work in conjunction with the council to assist with a comprehensive appraisal of the overall performance current HRA assets. The aim of this review was to:
 - Consider operational cash flows at a local level and assess their worth to the housing business to provide a measure of financial performance
 - Identify non-financial measures of social sustainability and to provide an analysis of this at the same local level.
65. Savills' report is attached as **Appendix 4**. Savills' evaluation of the performance of HRA assets has been used to inform the investment strategy and detailed planning based on an active asset management approach where the council seeks to make investment decisions that are informed by an understanding of the financial performance of the stock, and the extent to which it delivers the council's social housing objectives. In this way decisions can strengthen the business plan and contribute to meeting the council's policy objectives.
66. The 30-year net present value (NPV) of the income and expenditure associated with a tenanted housing stock, at the point in time when Savills undertook the analysis, stood at £457.3m or £12,597 per unit. This reflects a range of NPV levels across the stock.
67. 11.5% of the stock (4,167 units) has an NPV which is below zero. We will be working with residents of these 'High Investment Needs Estates' to find the best way to improve this stock. As with our approach for previous High Investment Needs Estates such as Four Squares and Hawkstone estates and Maydew House, redevelopment would only be considered as a last resort.
68. Southwark has already committed to the Warm, Dry and Safe programme, which includes the majority of the units that the analysis showed having a negative NPV.
69. The current WDS investment plans have been fed into the Savills analysis to create a revised investment profile. Since receiving the Savills model Southwark has been developing a revised HRA asset management plan which will feed into the over-arching business plan, which in turn includes the investment needs of the existing stock as well as the new build programme.
70. Further refinement of the business plan and associated decisions will allow the resources available for capital investment to be estimated and therefore initial prioritisation for an investment strategy.

Non-financial measures of sustainability

71. Savills supplemented the financial performance data by undertaking broader sustainability analysis taking into account the social and economic performance of a neighbourhood in which an estate is located.

72. Savills worked closely with Southwark to develop a set of indicators that reflects the council's social housing objectives. The combination of sustainability analysis and financial analysis allow an estate's overall sustainability to be more accurately measured.
73. The purpose of including non-financial data into the measurement of the sustainability of estates is to ensure that interventions in management services can be planned to support the physical investment in estates.
74. The FSB received a presentation from Savills on the proposed indicators and weightings and considered the model over three meetings. They were actively involved in testing the assumptions with the non-financial indicators and were broadly supportive of the conclusions.
75. The board agreed to explore in more detail how the council assesses the appetite for greater levels of resident involvement throughout its estates as it felt the methodology to be very subjective.

Asset management strategy- conclusions and next steps

76. Despite an unprecedented investment in making every council home warm, dry and safe, there remains a legacy of poorly designed and built housing and housing that is also nearing the end of its life, is expensive to repair and costly to maintain and replace. For these reasons a new strategy is required to support future housing investment which reflects the council's strategic ambition to ensure its homes are fit for the twenty first century, providing a sustainable solution that meets residents' expectations.
77. It is recognized that moving forward our residents and key stakeholders are more fully engaged in investment decisions and planning programmes. However Southwark is committed to:
 - Providing quality homes to an agreed standard
 - Ensuring residents are at the heart of everything we do
 - Delivering value for money (VFM)
 - Setting out future investment plans and co-ordinating resources accordingly
 - Providing a clear picture and route map for understanding and improving the overall performance of the property portfolio
 - Placing increased emphasis on planned maintenance and works programmes therefore decreasing the reliance on reactive repairs.
78. Quality homes means a standard that maintains decent homes and aspires to an agreed improving standard that meets residents' (and future residents') needs including:
 - Ensuring a quality kitchen and bathroom for every council tenant
 - Delivering a planned maintenance and exterior and communal decoration programme
 - A planned programme of refurbishment and replacement of communal facilities such as heating systems, landlord's electrics, lighting and lifts
 - Improving energy performance of our housing stock and therefore reducing carbon emissions
 - Core resident-led improvements to our estates.

79. The timeline for the production of a HRA asset management strategy for consultation based on the funding assumptions within the HRA business plan. The strategy will support the development of planned programmes, building on the warm, dry, safe standard and delivering a quality kitchen and bathroom to every tenant over the duration of the programme. This will also allow for the active consideration of investment opportunities. The timeline for the development of the asset management strategy will be as follows:

No	Consultation	Date
1	Draft asset management strategy including kitchen and bathroom programme to Cabinet	October
2	Kitchen and bathroom programme to T&RAs	November /December
3	Draft asset management strategy including kitchen and bathroom programme to resident forums	December / February
4	Final asset management strategy including kitchen and bathroom programme to Cabinet	March

30 year HRA business plan

80. As part of the long term business planning for the department the 30 year financial model is being updated. One of the key issues is to balance the 3 activities which have an impact on the HRA as set out below.
81. **Revenue** (the net surplus between income, mainly rents and service charges, less costs) is based on the 2015/16 budget. Going forward it is assumed that rent will increase by the current formula of CPI + 1% with costs increasing by RPI.
82. **Capital works:** The main component of this relates to the asset management strategy for existing stock. In early years these are based on the WDS and kitchens and bathrooms programmes. The high level of WDS and kitchens and bathrooms investment in 2015/16, 16/17 and 17/18 has a significant impact on resources available in the financial model and it is apparent that this will ultimately result in the need to borrow via the headroom available under the HRA debt cap.
83. **New development:** At this stage the assumption is that the initial 1,500 social units will be built or bought through HRA resources.
84. For the initial 1,500 units an estimate of 1,000 units from Direct Delivery, 300 from the SRPP programme and 200 S106 purchases has been assumed. For planning requirements and in order to provide a balance of tenures an estimated 86 homes will be built for the intermediate market and 200 for outright sale are estimated to be built.
85. The focus has been on detailed planning during the 5 years of the investment programme. Key assumptions have been tested regarding 30 year projections and achieving 11,000 new build council homes as well as maintaining the council's existing stock, in accordance with the asset management strategy.
86. The council has outstanding debt of £400.7m with a debt cap of £576.9m, which leaves current headroom to potentially borrow up to £176.2m. Borrowing headroom has been increased by £50.3m since the introduction of self-financing in April 2012.

87. The existing 30 year HRA financial model has had to be updated to allow the level of development being undertaken by Southwark which is significantly higher than in other local authorities. The model has also had to be amended to reflect the various funding sources available for each type of development.
88. Going forward the model will then be used to evaluate and test investment decisions. Budgets will be integrated into the long-term business plan to ensure consistency and affordability within council resources.
89. A diagram illustrating the HRA business plan model is set out below.



Overall conclusions

90. Our long-term housing strategy is in place, supported by the right policy framework. Our plans are on track for delivering the investment in new homes and in our existing homes. This report opens up new opportunities for future investment and so helps deliver our Fairer Future promises. We will continue to report progress, especially on the results of our ongoing dialogue with residents later this year.

Policy considerations

Council Plan 2014/15 to 17/18

91. A new council plan was endorsed by Council Assembly on 25 February 2015. This contains the Fairer Future Promise: **Quality affordable homes**, which states 'We will improve housing standards and build more homes of every kind, including 11,000 new council homes with 1,500 built by 2018. We will make all council homes warm, dry and safe and start the roll out of our quality kitchen and bathroom guarantee.'
92. The measures and progress to date outlined in this report demonstrate that we have robust measures in place, are delivering, and are on track to meet this Fairer Future promise.

Housing Strategy to 2043

93. The new long-term housing strategy for the borough was agreed by Cabinet on 27 January 2014. It contains a vision for the future of housing in the borough, which consists of four principles:

- Principle 1: We will use every tool at our disposal to increase the supply of all kinds of homes across Southwark.
- Principle 2: We will demand the highest standards of quality, making Southwark a place where you will not know whether you are visiting homes in private, housing association or council ownership.
- Principle 3: We will support and encourage all residents to take pride and responsibility in their homes and local area.
- Principle 4: We will help vulnerable individuals and families to meet their housing needs and live as independently as possible.

94. The progress outlined in this report, covering the development of new homes of all tenures particularly council homes, carrying out improvements to the existing housing stock, resident engagement over the new council homes, and provision of housing to meet a range of housing needs, exemplify each of these strategic principles.

New Southwark Plan

95. The New Southwark Plan will form part of Southwark's development plan along with the London Plan and area action plans. It is a regeneration strategy for Southwark and will be used to make decisions on planning applications. While the New Southwark Plan must be in general conformity with the London Plan (2013) and the National Planning Policy Framework (2012), it can adapt some of these policies to reflect specific issues in Southwark. It will replace the Core Strategy (2011) and saved Southwark Plan (2010) policies. The New Southwark Plan is being prepared with several stages of consultation taking place between 2013 and 2017.
96. The first stage of consultation was the issues consultation from October 2013 to February 2014. This consultation was a community conversation on 'Health of the High Streets'. The second stage was the issues and options which set out a detailed strategy for regeneration in Southwark, the Council's approach to planning to deliver the Fairer Future promises and an update of the strategy and area visions in the Core Strategy. There are visions for: Aylesbury, Bankside, Bermondsey and the Blue, Blackfriars Road, Camberwell, Canada Water, Dulwich, Elephant and Castle, Herne Hill, London Bridge, Old Kent Road, Nunhead, Peckham and Tower Bridge Road.
97. The next stage will be to consult on a Preferred Option in the Autumn and then to prepare for a formal consultation on a Submission Version for Autumn 2016. The document is then inspected at an Examination in Public before it can be finally agreed by Council Assembly.

Community impact statement

98. Southwark is a borough which has high levels of housing need. The 2014 Strategic Housing Market Assessment demonstrated a continuing the need for affordable housing, with the borough experiencing very high house prices that are outside the reach of many of its residents. It has the highest house prices in the housing sub-region (the average 2 bedroom flat being sold for £360k in 2013). At the time of the 2011 census there were 18,547 overcrowded households in Southwark, a higher number, and a higher percentage (15.3%), than any of the other four boroughs in the sub-region. Over the period 1981-

2012 the population of Southwark increased by 34%, the fastest growth in the sub-region by some margin. This helps to demonstrate a continuing need for more homes, and particularly for affordable homes in the borough.

99. The Public Sector Equality Duty requires public bodies to consider all individuals when carrying out their day to day work, in shaping policy, in delivering services and in relation to their own employees. It requires public bodies to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations between different people when carrying out their activities. The council's consultation with residents on the 11,000 council homes programme has been specifically designed to be inclusive of all the borough's communities and provide a range of mechanisms to provide residents with the opportunity to engage (see paragraphs 19 – 32). Examples include community conversations at summer festivals and libraries, digital engagement tools, dedicated resident mailings, workshops and focus groups with protected characteristic groups, social media and youth engagement.
100. A robust consultation framework – as supported by the council's Approach to Community Engagement – is underpinning this process. Critical to this is ensuring that we conduct our engagement at the right time, that information is provided to residents in the appropriate format, that there is a transparent decision-making process and finally that resident feedback is delivered at the end of the consultation.
101. Equalities monitoring data is being collected at each stage of the consultation to verify and ensure that the council is involving a representative sample of residents in line with our duties under the Equality Act. To date, data analysis undertaken at the Charter of Principles stage of the consultation demonstrated that we had engaged a fully representative sample of Southwark residents compared to the 2011 census.

Resource implications

102. This report sets out the council's progress towards achieving its investment plans for the renewal and improvement of its existing housing stock and the building of 11,000 new council homes (and specifically the delivery of 1,500 homes by 2018). The scale of investment planned requires the council to explore every opportunity to maximise potential resources necessary to deliver such an ambitious programme. Funding streams for the investment programme currently comprise: external grants, Section 106 contributions, RTB and other housing receipts, depreciation and other HRA revenue contributions and prudential borrowing (which is limited to the debt cap). Funding is determined on a scheme by scheme basis to ensure the optimal financial position for the council, particularly in relation to new build, which are subject to specific financial and regulatory restrictions. Critical to this process is the development of the HRA business plan to provide a comprehensive financial model for the next 30 years, which will assist in informing planning and decision making going forward.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Legal Services

103. This report provides a progress update to cabinet and seeks approval to a number of recommendations in relation to the housing investment plans. The

report sets out consultation that has taken place and the further consultation planned. To meet legal requirements consultation with residents likely to be affected must be undertaken when proposals are still at a formative stage; it must include sufficient information to allow interested parties the opportunity to consider the proposals and formulate a response; allow adequate time for interested parties to consider and formulate their response and the outcome of consultation must be conscientiously taken into account when the final decision is taken. The report confirms that consultation is being carried out in stages and engagement with residents will take place in different ways at different stages. Given the staged nature of development of the council plans, staged consultation is appropriate but the purpose of the consultation should be made clear to those being consulted at each stage.

104. Throughout the development of proposals, the council must give active consideration to the public sector Equality Duty, in section 149 of the Equality Act 2010 which requires the council to consider all individuals when carrying out their functions. It requires public bodies to have due regard to the need to eliminate discrimination, advance equality of opportunity, and foster good relations between different people when carrying out their activities. Officers will need to keep the duty in mind during the consultation process and when formulating recommendations for final decision.
105. As noted in paragraph 41, procurement options for the future delivery schemes of new council homes are being considered and will be subject to separate approval.

Strategic Director of Finance (FC 15/008)

106. The strategic director of finance and corporate services notes the recommendation that the “council determine a detailed affordable funding plan to support the housing investment in new homes” and the exploration of Southwark Housing Company to make a financial contribution to the programme. The Delivery Programme Board holds key responsibilities in overseeing the programme delivery including agreeing schemes on a scheme by scheme basis (subject to funding available) and financial monitoring and management of the costs and budgets (paragraph 35). Further that the HRA business plan model (paragraph 87) incorporates a funding plan and that the Savills’ asset performance model and will be used to support prioritisation of investment in housing stock to ensure best use of available resources.

BACKGROUND DOCUMENTS

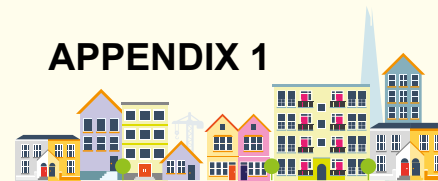
Background Papers	Held At	Contact
Cabinet paper – Next Steps on Developing Long Term Plans for the Delivery of New Council Homes	Corporate Strategy, Southwark Council, 160 Tooley Street, London SE1 2QH	Stephen Gaskell, Corporate Strategy Tel: 020 7525 7293
Link: http://moderngov.southwark.gov.uk/documents/s43581/Report%20Developing%20Long%20Term%20Plans%20for%20the%20Delivery%20of%20New%20Council%20Homes.pdf		
Individual Member decision report-Formation of Housing Company	Housing & Community Services, Southwark Council, 160 Tooley Street, London SE1 2QH	Paul Langford, Housing & Community Services Tel: 020 7525 2637
Link: http://moderngov.southwark.gov.uk/documents/s53344/Record%20of%20Decision.pdf		

APPENDICES

No.	Title
Appendix 1	Housing strategy to 2043- single page summary
Appendix 2	New homes design survey
Appendix 3	Futures Steering Board response to cabinet report - Progress update on council's housing investment plans
Appendix 4	Savills' report- evaluation of the financial and sustainability evaluation of the performance of the council's housing assets (circulated separately)

AUDIT TRAIL

Cabinet Member	Councillor Richard Livingstone, Housing		
Lead Officer	Gerri Scott, Strategic Director of Housing and Community Services		
Report Author	Paul Langford, Head of Operations Claire Linnane, Housing Strategy and Partnerships Manager		
Version	Final		
Dated	9 July 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 of Finance and Corporate Services	Yes	Yes	
Cabinet Member	Yes	Yes	
Date final report sent to Constitutional Team		9 July 2015	



OUR VISION

Our vision is to lead the way in providing good quality homes for people on a range of incomes including building 11,000 new council homes, one of the most ambitious council house building programme in the country. We want to empower our residents to take pride and responsibility in their homes and local area. For our part, we will be 'more than a landlord,' helping residents, especially those most vulnerable and at risk, meet their housing needs and lead independent, active, healthy lives in a borough they can be proud to call home.

1 DELIVERING NEW HOMES

Principle 1: We will use every tool at our disposal to increase the supply of all kinds of homes across Southwark.

We are committed to providing and ensuring a mix of high quality homes for those on a range of incomes, which are flexible to people's housing needs as they change over time, while enabling existing communities to have a future in the borough. This includes:

- 11,000 new council homes by 2043, (1,500 of these by 2018) and hundreds more shared ownership properties
- 20,000 net new homes in the next ten years of which 7,000 will be affordable homes, ensuring these are genuinely affordable to our local residents
- Unlocking a number of housing sites in key locations across Southwark such as Canada Water and Old Kent Road
- Working in partnership to develop good quality, well managed privately owned and rented homes.

3 EMPOWERING RESIDENTS

Principle 3: We will support and encourage all residents to take pride and responsibility in their homes and local area.

New relationships, based on pride and responsibility, will enable residents to take greater control over their local housing services, and we will work with local people to address unlawful subletting and antisocial behaviour. This includes:

- Establishing a fund for residents to carry out their own minor repairs and put in place an independent leasehold and freehold management company so people can make independent representations to the council when quality falls short
- Rewarding resident contributions and promoting good neighbourliness through the Housing Heroes programme alongside establishing a strategic Tenant Federation to support tenant involvement and share good practice across all tenures
- Providing a menu of options to help all residents to participate in decisions about the management of their housing.

2 IMPROVING HOUSING QUALITY

Principle 2: We will demand the highest standards of quality, making Southwark a place where you will not know whether you are visiting homes in private, housing association or council ownership.

Building on our commitment to make all our council homes warm, dry and safe we will continue to invest to provide quality homes. We will also encourage good landlords while driving out rogue landlords. This will include:

- Providing all council homes with a quality kitchen and bathroom, and other improvement work to make homes fully fit for years to come
- Ensuring all new homes are built to the highest standards of quality and design
- Introducing a private licensing scheme for private landlords in the centre of the borough in 2015, using the Southwark Rental Standard
- Cracking down on landlords who are letting residents down, including taking a zero tolerance approach to landlords where the welfare of tenants is at serious risk.

4 BEING MORE THAN A LANDLORD

Principle 4: We will help vulnerable individuals and families to meet their housing needs and live as independently as possible.

People may need additional support at certain times of their lives. We aim to be more than a good landlord, so that we for example support individuals back into work and help break the cycle of homelessness. This is also an age friendly housing strategy, providing a range of housing choices to enable people to remain in their homes and communities for their whole lives. This includes:

- Enabling older people and people with disabilities to live independently in their communities by building lifetime homes, extra care sheltered housing, exploring other specialist housing options and adapting properties
- Assisting those that want to downsize to a smaller home through schemes such as Smart Move and home swaps
- Providing quick and easy access to quality financial and debt advice, and working with schools to engage young people early to face the realities of finding a home in London
- Providing tenancy sustainment services to support people at risk of losing their homes.



Join our
COMMUNITY
CONVERSATION **Design and neighbourhoods**

We have committed to one of the most ambitious council house building programmes in the country – to build 11,000 new council homes by 2043, with 1,500 of these by 2018.

To make this a success and to deliver this pledge we need to know what residents think and make sure that you help to shape this.

The next step in this ongoing consultation is to get your views on what the new council homes should look like and how we can make these new homes and neighbourhoods better places to live.

Please return this questionnaire by 31 August 2015.

**FREEPOST RSCE-TGHU-CUZB
Southwark Council
Community Engagement (2/4)
160 Tooley Street
London SE1 2QH**



If you would like more information, or to complete the questionnaire online, please look at our website www.southwark.gov.uk/11000homes or contact the community engagement team at communityengagement@southwark.gov.uk or on 020 7525 5554.

YOUR NEIGHBOURHOOD/ESTATE (PUBLIC REALM)

1. What do you think of the way your neighbourhood/estate looks?

- ☐ Very satisfied
- ☐ Satisfied
- ☐ Neither satisfied nor dissatisfied
- ☐ Dissatisfied
- ☐ Very dissatisfied
- ☐ Any other comments:

2. What do you think are the most important features of an attractive neighbourhood/estate? Please rank your choices 1 – 6

(1 = the most important, 6 = the least important)

	1	2	3	4	5	6
High quality buildings - designed to last and easy to maintain	☐	☐	☐	☐	☐	☐
Provision of recreation and play areas	☐	☐	☐	☐	☐	☐
Safe, accessible and well lit walking routes	☐	☐	☐	☐	☐	☐
Trees/planting/ community garden	☐	☐	☐	☐	☐	☐
Concealed recycling and bin storage	☐	☐	☐	☐	☐	☐
Good bicycle storage facilities	☐	☐	☐	☐	☐	☐
Other suggestions:						



3. What do you think are the most important amenities or facilities a neighbourhood/estate should have? Please rank your choices 1 – 6

(1 = the most important, 6 = the least important)

	1	2	3	4	5	6
Good access to public transport	☐	☐	☐	☐	☐	☐
A local GP surgery	☐	☐	☐	☐	☐	☐
Local shops – chemist, grocery, post office	☐	☐	☐	☐	☐	☐
Nearby local schools	☐	☐	☐	☐	☐	☐
Community centre/tenants and residents hall	☐	☐	☐	☐	☐	☐
Opportunities for employment and local enterprise	☐	☐	☐	☐	☐	☐
Other suggestions:						



PRIVATE SPACES IN AND AROUND YOUR HOME

4. If you were moving into a new council home, what would be most important to you? You can choose up to two options:

- ☐ A home which is dual aspect (i.e. windows/doors facing more than one direction)
- ☐ A highly energy efficient home
- ☐ Good storage provision
- ☐ An open plan kitchen and dining area
- ☐ Good sound-proofing
- ☐ A separate bathroom and toilet
- ☐ Any other suggestions:



5. We will be building more homes to meet the needs of our families. What do you think makes a home family friendly?



COMMUNAL SPACES AROUND YOUR HOME

6. Please let us know your suggestions for improving communal areas in developments of new council homes.

HEALTHY AND THRIVING COMMUNITIES

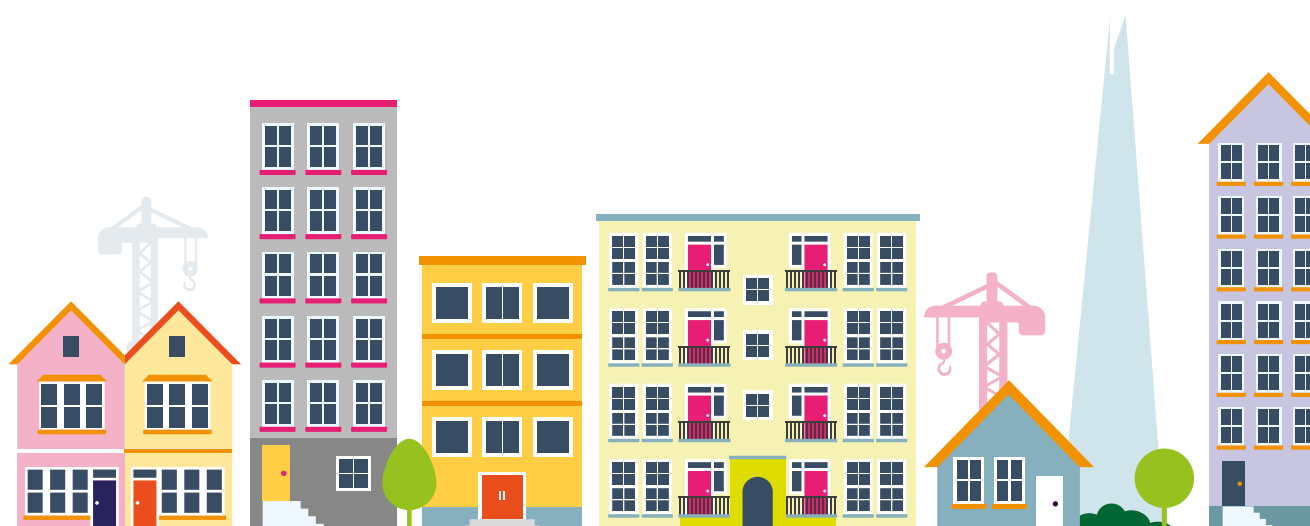
7. We want to create mixed communities where you can't tell the difference between council homes and privately owned homes. How do you think we can we best achieve this?

8. We want to encourage social interaction and develop a sense of community around these new homes. Can you share an example of a situation that has brought you closer to your neighbours?

9. We want our new homes to promote the health and wellbeing of all residents. What would enable you to be healthier, more active and fulfilled in your neighbourhood/estate?

Please leave us some personal details to find out more about the results of this consultation and the 11,000 new council homes programme:

Name	
Address	
Post code	
Email	



AGE

- ☐ Under 16
 ☐ 16 to 17
 ☐ 18 to 24
 ☐ 25 to 34
 ☐ 35 to 44
☐ 45 to 54
 ☐ 55 to 64
 ☐ 65 to 84
 ☐ 85+
 ☐ Prefer not to say

GENDER

- ☐ Male
 ☐ Female
 ☐ Prefer not to say
 ☐ Prefer to use my own term: _____

ETHNICITY**White or white British**

- ☐ British
☐ English
☐ Scottish
☐ Welsh
☐ Northern Irish
☐ Irish
☐ Gypsy, Roma, Romany or Irish Traveller
☐ Turkish
☐ Kurdish
☐ Eastern European
☐ Spanish
☐ Any other white. Please specify: _____

Asian or Asian British

- ☐ Indian
☐ Pakistani
☐ Bengali
☐ Chinese
☐ Vietnamese
☐ Any other Asian background. Please specify: _____

**Mixed background**

- ☐ White and black Caribbean
☐ White and black African
☐ White and Asian
☐ Any other mixed background. Please specify: _____

Black or black British

- ☐ Caribbean
☐ Ghanaian
☐ Somali
☐ Sierra Leonean
☐ Nigerian
☐ Other African
☐ Any other black or black British background. Please specify: _____

Latin American

- ☐ Caribbean
☐ Bolivian
☐ Brazilian
☐ Colombian
☐ Ecuador
☐ Any other Latin American background. Please specify: _____



- ☐ Prefer not to say

SEXUAL ORIENTATION

- ☐ Bisexual
 ☐ Gay man
 ☐ Gay woman/lesbian
☐ Heterosexual
 ☐ Prefer not to say
 ☐ Other, please state: _____

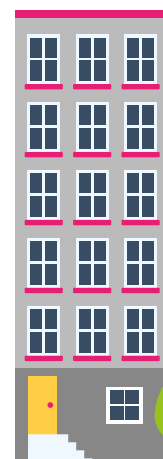
DISABILITY

Are your day to day activities limited because of a health problem or disability which has lasted, or is expected to last, at least 12 months?

- ☐ Yes
 ☐ No
 ☐ Prefer not to say

Thank you for completing this form. The information provided will help us to improve our services to you and others in Southwark.

Data Protection All information is confidential and will only be used under the strict controls of the Data Protection Act 1998.



APPENDIX 3**FSB Response to Cabinet Report****Progress update on the Council's Housing Investment Plans****21 July 2015****30.6.15.****Overall Comments**

The Future Steering Board (FSB) support the Council's objective to build 11 000 new Council homes by 2043 at Council Rent including 1500 by 2018, and have worked to scrutinise and help improve the Council's policy and consultation process to achieve this since 2013. As a group we understand the requirements of Council tenants and leaseholders and understand the need to develop high standard, well equipped homes, while keeping rents and housing costs within the resources of most Southwark residents.

The FSB has considered:

- Housing Commission Report
- The Investment Plan to deliver the 11 000 new homes programme
- Hidden Homes Programmes
- Options for Funding 11 000 new homes
- Council Owned Housing Company
- Charter of Principles for Consultation on 11 000 New Homes Programme
- Strategic Housing Market Assessment
- Southwark Housing Strategy
- Southwark Housing Company
- New Southwark Plan
- S106 Acquisition Process
- Non Financial Sustainability of estates
- Design Brief Consultation

Alongside the 11 000 new Council Homes, it is crucial that the Council take a lead in developing viable intermediate housing models to keep Southwark housing available to all economic groups

The FSB is concerned about the likely impact changes to government policy to force more sales of Social Housing will have on residents, those on the Housing Register and the Council in the future.

In future the near future the FSB plans to consider:

- Intermediate Housing Options
- Regeneration at Canada Water
- Developing Asset Management
- Developing the HRA Business Plan

Where can we build 11, 000 new homes

The FSB welcome the Council's approach to working closely with residents and TRAs to identify potential sites for new Council homes. We know TRAs on Southwark Estates who have come forward with practical suggestions that will benefit both residents on their estate and those on the Housing Register. The key issues for local residents are often; that the majority of homes will be built for Council Rent, that a Local Lettings Scheme will apply, and that local residents will be involved in the process of developing the designs for the new homes that take into account the effect on existing residents on the estates. We are heartened that the Council's approach takes account of these issues.

What should new homes look like and how can we make these new homes and neighbourhoods better places?

The FSB has had input to the consultation process the Council is using to develop the Design Brief for new homes. FSB members visited the first Council homes to be completed at Willow Walk and were generally impressed with the standard of the design and have made detailed comments on the finishes.

Progress on Delivery of new Council homes

The FSB has had input into the Charter of Principles and look forward to having more information to enable us to offer ideas on improving the involvement of residents locally in developing plans for new Council homes in their neighbourhood.

Southwark Housing Company

The FSB have strongly supported the setting up of the Southwark Housing Company from first discussing the idea. We see it as one option amongst others to deliver the 11 000 new Council homes. Should the company develop into a significant landlord

we would welcome community involvement in the strategic decision making of the organisation.

Asset Management Strategy, Savills Report and Non financial measures of sustainability

The FSB welcomes the Council's progress in delivering the warm dry safe major works that have improved properties and living conditions for many tenants and leaseholders across the borough. The programme of kitchen and bathroom renewal from 2016 is essential to bringing many tenants' homes up to a modern standard. The FSB looks forward to further refinements to the Asset Management Plan to take into account residents' needs for improvements to the common parts of blocks of flats and estates and would like the strategy to specifically address the issue of fuel poverty.

The Savills Report is a useful tool enabling the Council make decisions on both the physical state and costs of repairing the buildings and considering factors that make estates popular places to live. The FSB has suggested SGTO work with the Council to develop the indicators for resident involvement, that will be use to both SGTO and the Council outside of their utility for the Asset Management Strategy.

New Development

The FSB has been briefed on the assumptions for the costs and funding for new development. We look forward to carrying out more detailed scrutiny of the HRA Business Plan.

Item No. 13.	Classification: Open	Date: 21 July 2015	Meeting Name: Cabinet
Report title:		Key Principles and Protocol for Developing New Council Homes in Partnership with Residents	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Mark Williams, Regeneration and New Homes and Councillor Richard Livingstone, Housing	

FOREWORD – COUNCILLOR MARK WILLIAMS, CABINET MEMBER FOR REGENERATION AND NEW HOMES AND COUNCILLOR RICHARD LIVINGSTONE, CABINET MEMBER FOR HOUSING

With the massive housing pressures facing our borough, Southwark Council is committed to providing as much genuinely affordable, good quality housing as possible to meet local needs.

In addition to investing in our existing council homes, Southwark has the most ambitious programme in the country to provide new council homes: building 11,000 by 2043, with the first 1,500 being delivered by 2018. Some of these new council homes will be built on existing space on our housing estates, some as new developments on other land the council owns, and some through purchasing new affordable properties directly from developers. All of these homes will be managed by the council and will be let at council rents.

There will also be opportunities to increase the amount of council housing through wider estate regeneration, either where the council identifies opportunities to increase the amount and quality of homes, or where we are approached by adjoining landowners who wish to develop their own site and seek to include our land as well.

We strongly believe our residents need as much clarity as possible on how such approaches will be considered by the council, and how residents will be involved. To that end this paper sets out a clear process that will be followed for schemes delivered in partnership with developers in the future.

This process also establishes our clear ‘red lines’ that must be met for any proposal to proceed to resident consultation and potential implementation. These red lines include schemes having a net increase of council homes; that any affected residents only having to move once (with the option of staying in their immediate area); a full package of assistance being given to leaseholders; and ensuring that local residents in housing need will benefit from these additional council homes.

RECOMMENDATIONS

That the cabinet:

1. Agree that the minimum guarantee to affected residents as set out in paragraphs 15 to 34 of this report be applied to redevelopment proposals brought forward to support the council's commitment to build 11,000 new council homes and create communities that residents would be proud to live, work and play in.

2. Agree the updated package of housing options for affected residents, as outlined in paragraphs 35 to 38.

BACKGROUND INFORMATION

3. In January 2014, Cabinet agreed the vision for a new housing strategy and plans for developing a new borough-wide housing strategy for Southwark. The vision emerged from the extensive community conversations on the future of council housing following publication of the independent Housing Commission's report.
4. On 27 January 2015, Cabinet agreed its new long term housing strategy for the borough, to 2043. This set out the overarching framework for increasing housing supply, transforming housing conditions in Southwark across all tenures, and responding to the borough's housing needs.
5. On 27 January 2015, Cabinet also agreed the initiation report for the Southwark Regeneration in Partnership Programme (SRPP). This report recognised that the Council's significant assets presents it with opportunities to work in partnership with developers and registered providers to achieve the best possible outcome for our residents and to enhance their long term value.
6. A new approach to community engagement was approved by the Cabinet in December 2012, in recognition of the need to take active measures to involve a diverse range of local people in council decision-making. Public engagement in the 11,000 new council homes programme, starting from August 2014, has been guided by this approach and has delivered high levels of resident feedback.
7. The first stage of consultation on the Charter of Principles (see Appendix 1) began on 15 August and ended on 13 October 2014 and generated over 2,000 responses. The Charter outlines the Council's commitments to residents across a number of key areas which are directly relevant to the protocol for new developments, namely:
 - Pledge 1: How the Council will work with residents on developing the principles for housing investment and renewal on estates.
 - Pledge 2: How the Council will work with residents on development of new homes on their estate.
 - Pledge 3: How the Council will involve residents in ensuring that the new homes are of high quality.
 - Pledge 4: How the Council will give residents a say on how the new homes are managed.
 - Pledge 5: How the council will demand high standards for the quality and affordability of new homes.
 - Pledge 6: What the council will do if residents are affected by redevelopment.
8. Both the Approach to Community Engagement and the Charter of Principles will guide resident engagement in new developments.

KEY ISSUES FOR CONSIDERATION

9. Despite an unprecedented investment in making every council home warm, dry and safe, there remains a legacy of poorly designed and built housing that limit the social and economic potential of their surrounding area and the life chances of their residents.

10. There will be adjacent opportunities such as neighbouring developments or wider area regeneration present the prospect of leveraging in private sector investment to secure better outcomes for these local communities, including a net increase in council homes.
11. The council's asset management strategy, which reflects the council's strategic ambition to ensure its homes are fit for the twenty first century, should therefore include the consideration of all proposals that would enable sustainable solutions to meet residents' needs and expectations.
12. This report sets out a protocol rooted in the council's ambition to not only build new homes but give people genuine choice and influence. However, with that influence comes responsibility and the need to make difficult choices about investing in the future and creating better places for people. As such this report recommends a 3-step process for the consideration of regeneration opportunities that will deliver transparent and accountable decision making through meaningful consultation and engagement with affected residents.
13. Also submitted on this Cabinet Agenda is a progress update on the Council's housing investment plans that sets out the council's work on establishing an asset management plan and the council's future housing investment plans. The report will affirm the council's commitment to invest in its high investment need estates and to consider redevelopment as a last resort. This report, however, is not about the regeneration of high investment need estates but rather the opportunities to increase the supply of council homes and create sustainable communities. While the scale of proposed redevelopment will vary, it is important that the rigour of decision making and resident engagement be consistent.
14. This report also proposes an updated package of housing options that will help ensure that regeneration outcomes include positive gains for the affected residents – e.g. keeping communities intact by enabling a single moves to new council homes within the development area, providing local opportunities for homeownership for leaseholders and aspiring tenants and giving residents that want to leave the area the best opportunity to do so.

PRINCIPLES AND PROTOCOL FOR COMMUNITY ENGAGEMENT

15. Key to the consideration of development proposals is the full engagement of residents in the design and delivery. The feasibility of all proposals will be fully established before residents are approached to ensure that they are not put through what can be a stressful process over proposals that are not feasible.
16. As such the following steps are proposed:

STEP 1: Establish Feasibility

17. A development proposal will only be brought forward for consideration once a full feasibility, diligence on planning and site and a financial appraisal have been undertaken so that residents are consulted on proposals that are technically and financially viable.
18. Prior to proceeding to engagement with residents, a cross-council panel of relevant officers will have met to establish the feasibility of sites, on the basis of:

- Local Benefit – that there must be clear local benefits such as new community spaces, social investment, addressing local housing need such as overcrowding, providing jobs for local residents so that it becomes a better place for Southwark residents to live.
 - Limited Disruption – the single most cited complaint about estate regeneration schemes is that decant policies dismantle communities. The build programme and local lettings policy will enable single local moves with minimum disruption.
 - Net housing gain – the number of new council homes delivered as a result of the schemes will exceed the numbers demolished – providing sufficient numbers to enable rehousing need and additional units to meet the borough's housing need.
 - Cost benefit – the net costs to the Council will have to be significantly less than it would have incurred through a typical investment, regeneration or council build option. This would also mean less cost burden on the Housing Investment Programme. The impact on the HRA will be set out at this stage.
 - Impact on leaseholders – the financial impact on leaseholders will be limited or can be mitigated through the rehousing package. This will include taking into account the impact of market values and Section 20 recharges.
19. The outcome of the assessment will be reported back to the Housing Development Programme Board (HDPB) to decide on whether to make recommendations to both the cabinet members for Regeneration & New Homes and Housing to proceed to resident engagement or decline the proposal. This will be the first decision.

STEP 2: Resident Engagement

20. Experience from previous regeneration schemes is that residents prefer 1-2-1 meetings (such as drop in sessions or home visits) as they primarily want to discuss their particular circumstances and the impact on where they live. Fuller involvement is more effective through a small group of resident representatives and public events are better as small focus group sessions than large meetings. Residents have also expressed preferences for newsletters and webpages as a means of updating them.
21. As such the proposed engagement process employs 3 main formats through the various stages:
- Inform: using written communication to impart information to stakeholders
 - Consult: getting stakeholders' views through drop in sessions or small focus group sessions
 - Engage: working with stakeholder groups on the finer details of the proposals.
22. The proposed engagement stages (as shown in Table 1) are aligned with the Charter of Principles and the Approach to Community Engagement and the process will be overseen by Head of Community Engagement.

Table 1: Resident Engagement Process

Approach	•Inform – inform TRA of the opportunity and policy, and set up engagement arrangements (e.g. project subgroup or RSG) •Inform – write to residents advising of the opportunity and policy
Consider	•Engage – consider proposal with residents representatives •Consult – establish drop in sessions for residents/general public •Inform – update residents through letters/newsletters
Decide	•Inform – write to residents about decision and their options •Inform – write to general public about decision and its impact on them •Consult – invite residents to drop in sessions to discuss their options •Engage – set up delivery plan with resident representatives
Implement	•Engage – hold regular steering meetings with resident representatives •Consult – establish website to update residents and general public on scheme/design proposals •Consult – hold rehousing drop in sessions for residents •Consult – hold planning proposal focus group sessions for residents and public •Inform – update residents by letters/newsletters and website

Approach

23. Once approval to start consultation is given, Resident Engagement and Regeneration officers will inform the affected Tenant and Resident Association (TRA) of the development proposal. Where there is no TRA, they will write to residents individually. In either case, residents will be invited to establish a Residents Steering Group (RSG).
24. The aim of the initial approach is to inform residents of the opportunity and to set up a structure for continued representative and meaningful engagement with residents. The terms of reference for the RSG will be as established on previous estate regeneration schemes. A draft template is attached as Appendix 2.

Consider

25. Once the structure is in place, officers with the RSG will establish and implement a compliant consultation plan. Also, if residents require it, the RSG and the Council will appointment an Independent Resident Advisor to advise the individual residents and the RSG.
26. The objectives of the initial consultation are as follows:
- to discuss and get feedback on the proposals and outcome of the feasibility assessment
 - to refine the feasibility assessment with the RSG based on additional requirements, opportunities or constraints that are identified through the consultation process

- c) to clearly establish a true representation of residents' position (for or against) on the proposal
 - d) to enable assessment of the impact of the proposals on the community.
27. At the conclusion of the initial consultation, a consultation report that will include a community impact assessment will be presented to the HDPB and approval sought to either advise the developer to progress the proposal to a viable scheme or reject the proposal. This will be the second decision gateway.

Decide

28. The responsibility for making the decision to progress with the proposals will be for the Council's Cabinet. Where the decision is taken to progress the proposal, Resident Engagement and Regeneration officers will write to all affected residents explaining the rationale for the decision and the implementation of the consultation on housing options.
29. The housing options consultation will be done through regular one-to-one drop in sessions for both tenants and leaseholders. These will be delivered by officers from Housing Management, Housing Options, Specialist Housing and Property. The objective will be to establish residents' housing need and preferences. The information gathered will also inform a further assessment of community impact and the scheme development process.
30. Also at this point, an implementation session will be held with the RSG at which they will meet the developer and their design team.

Implement

31. The implementation stage will run from scheme development to occupation. It will be led by Resident Engagement and Regeneration officers. The objective is to have continued and meaningful engagement with residents through the delivery.
32. At occupation, an impact assessment will be undertaken with the RSG and presented to the HDPB. The RSG will then be disbanded or repurposed as a TRA or TRA sub-group.

STEP 3: Scheme Development

33. If approval is given to proceed to scheme development, officers with steer from the RSG will work with the developer to bring forward a viable scheme to the HDPB. For proposals where the decision would impact 25 or less council tenants and leaseholders, this will be the final decision gateway before it is put forward to the Cabinet Member for Regeneration and New Homes for approval.
34. Where the proposal would affect more than 25 tenants and leaseholders, the decision to proceed will be made by Cabinet.

Housing options for local people

35. Pledge 6 of the Charter of Principles for the New Homes programme established the following housing options for residents affected by redevelopment of their estate:
- a) We will ensure that leaseholders and homeowners affected by redevelopment get access to dedicated advice, support and information on their options for the future. This will include, where it is necessary, offering the full range of options for rehousing including shared ownership and shared equity, and any loss, compensation or disturbance payments residents may be entitled to.
 - b) The programme aims to benefit local people, and any tenant or leaseholder wanting to stay in an area where development takes place will be offered options to do so.
 - c) We want to make most effective use of the new stock to make sure it is let fairly and in a way that deals with any specific local issues and concerns, and contributes to sustainable and mixed communities. We will work with residents to give them a say on lettings so that, for example, we make provision for those freeing up under-occupied properties, and to ensure that lettings take account of local circumstances.
 - d) Where tenants of the new homes want to move they will have the same rights to transfer and exchange their homes as any other Southwark tenant.
 - e) In addition to those that need to be rehoused in the new council homes for the development to take place, at least half of the remaining new council homes we develop will be available to other tenants in housing need on the estate at the first letting to make sure that local residents affected by redevelopment get a fair deal.
36. It is proposed that these housing options be expanded to ensure that:
- a) If the development proceeds replacement council homes will be built within the development area footprint or nearby sites prior to the start of rehousing to enable single moves for those residents that choose to remain. These homes will be let at target rent.
 - b) Residents that opt to move outside of the development area will be given the full range of options available to residents being rehoused because of regeneration with the exception of the option to return as they will have had the opportunity to move to replacement homes. The current package includes:
 - a. Leaseholder rehousing assistance package
 - b. Band 1 status for tenants and eligible leaseholders
 - c. Home loss and disturbance payments.
 - c) 100% of the replacement council homes are made available to rehouse all of the affected tenants and leaseholders that wish to remain. Fifty per cent of the additional units created will be available to other estate residents.

- d) Affected leaseholders that opt to remain will be rehoused in the new replacement homes on a shared equity basis.
 - e) Eligible affected tenants are prioritised for any shared ownership units developed through the proposal.
37. It is proposed that these housing options form a uniform package that is available to all affected residents and the cost/benefit of its delivery should form part of the viability assessment of development proposals.
38. The benefits of the proposed approach include:
- a) increased numbers of council homes – the social rented units built through the scheme will be new council homes that will count towards the 11,000 homes target. Residents will benefit from new well designed energy efficient council homes that meet their housing need.
 - b) Limited Disruption – the single most cited complaint about estate regeneration schemes is that decant policies dismantle communities. However, requiring that replacement council homes be built first and instituting a local lettings policy that enables single local moves would minimise the disruption and keep communities intact. Also, moves could be phased to keep family and friends together.
 - c) Better rehousing options – the second most cited complaint is the loss of council tenancy and disenfranchisement of leaseholders. The rehousing package would offer a shared equity package for leaseholders within the new development as one option available to them, including shared equity packages from either the council or development partner elsewhere.
 - d) For tenants, the rehousing package would offer new council tenancies on similar terms whilst allowing those residents that want to leave the area the best opportunity to do so by giving tenants Band 1 rehousing priority.
 - e) Regardless of their rehousing choice, residents will only have to make one move and residents who decide to stay will only move when new accommodation is ready for occupation.
 - f) Resident Support – the schemes would not proceed without sufficient and meaningful resident consultation and engagement. (see below).

Financial implications

39. It is proposed that any feasibility, consultation and scheme development costs incurred by the council be funded via the Housing Investment Programme. and the authority to proceed from the HDPB will be sought from the Housing Investment Board.
40. It is anticipated that the developer will fund the bulk of the scheme development, but the council may need to incur legal and financial assessment cost to ensure the council's interests are protected.
41. The impact of the proposals on the HRA will be considered as part of the feasibility assessment.

42. This is a key decision as the council could incur an expenditure of £500,000 or more in considering potential proposals and the outcome of the investigations could have significant impact of the affected communities and in more than one ward.

Policy implications

43. The proposed protocol is shaped by the promises and commitments made in the Council Plan, such as building more quality affordable homes of every kind and revitalising our neighbourhoods making them places in which we can all be proud to live and work.
44. The development plan for the borough consists of the Mayor's London Plan, the Core Strategy 2011, the Southwark Plan policies, the Aylesbury Area Action Plan, the Peckham and Nunhead Area Action Plan and a revised Canada Water Area Action Plan.
45. The New Southwark Plan is being prepared in consultation with residents, land owners, developers, employers, local organisations and other groups over the next two to three years, having commenced in October 2014. This New Southwark Plan will set out the strategy to bring the full benefits and opportunities of regeneration to all Southwark's residents.
46. The procurement process for the feasibility assessments and development partnership arrangement will comply with the Council's Contract Standing Orders.

Community impact statement

47. The Future Steering Board has been consulted and their comments have been addressed into this report.
48. The proposed resident engagement approach will enable the capture of community priorities, issues and needs, in particular groups displaced or impacted by the development proposal.
49. Officers will conduct impact assessments at key decisions to ensure that there is no disproportionate or discriminatory impact, particularly on groups with protected characteristics.
50. Under the Equality Act 2010's Public Sector Equality Duty (PSED), as a public body we must have due regard to the need to:
 - 1) Eliminate unlawful discrimination, harassment and victimisation
 - 2) Advance equality of opportunity between different groups
 - 3) Foster good relations between different group.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Legal Services

51. The report confirms that consultation will be carried out with those affected. To meet legal requirements consultation must be undertaken when proposals are still at a formative stage; it must include sufficient information to allow interested parties the opportunity to consider the proposal and formulate a response; allow

adequate time for interested parties to consider proposals and formulate their response and the outcome of consultation must be conscientiously taken into account when the decision is taken. Depending on the development of proposals it may be appropriate to carry out consultation in stages and to engage in different ways at different stages; it should therefore be made clear to those being consulted the stage the proposals are at.

52. The report further sets out in broad terms housing options aspirations for affected residents. Detailed housing options for residents who may be displaced as a result of future regeneration will depend on the redevelopment schemes proceeded with and will need to be framed to meet legal requirements. Consultation on the detailed options will need to be carried out with likely to be affected. A decision on the final proposals will need to be made in accordance with the council's constitutional decision making processes.
53. Throughout the development of proposals, the council must give active consideration to the public sector Equality Duty, in section 149 of the Equality Act 2010 which requires the council to consider all individuals when carrying out their functions. It requires public bodies to have due regard to the need to eliminate discrimination, advance equality of opportunity, and foster good relations between different people when carrying out their activities. Officers will need to keep the duty in mind during the consultation process and when formulating recommendations final decision making;. The report confirms that equality impact assessments will be carried out throughout the process.
54. Officers in the regeneration team will be able to seek legal advice on property, housing and other legal issues from the Director of Legal Services and her team as appropriate as plans develop.

Strategic Director of Finance and Corporate Services

55. Feasibility and consultation costs will be charged directly to a revenue cost code. These costs will only be charged to the Housing Investment Programme when approval to proceed is given by cabinet via the Housing Investment Board.
56. A further report will be submitted to cabinet for approval when the cost of the proposed housing options shown in paragraph 35 to 38 is calculated.
57. It is anticipated that the developer will fund the bulk of the scheme development. Any new development will need to be considered scheme by scheme to ensure minimal impact to the council as whole and the Housing Revenue Account in particular.
58. Any staff cost resulting from these recommendations will be contained with the existing revenue budget.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Southwark Regeneration in Partnership Programme	Chief Executive's Department, Regeneration, Southwark Council 160 Tooley Street London SE1 2QH	Diana Hall 020 7525 7724
Link: http://moderngov.southwark.gov.uk/documents/g4864/Public%20reports%20pack%20Tuesday%2018-Nov-2014%2016.00%20Cabinet.pdf?T=10		
Approach to Community Engagement	Housing & Community Services, Community Engagement, Southwark Council 160 Tooley Street London SE1 2QH	Jessica Leech 020 7525 5853
Link: http://moderngov.southwark.gov.uk/documents/g4249/Public%20reports%20pack%20Tuesday%2011-Dec-2012%2016.00%20Cabinet.pdf?T=10		
Update on Consultation and Plans for the Delivery of 11,000 New Homes	Housing & Community Services, Community Engagement, Southwark Council 160 Tooley Street London SE1 2QH	Jessica Leech 020 7525 5853
Link: http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=4864&Ver=4		

APPENDICES

No	Title
Appendix 1	Charter of Principles
Appendix 2	Draft Resident Steering Group Terms of Reference

AUDIT TRAIL

Cabinet Member	Councillor Mark Williams, Regeneration and New Homes and Councillor Richard Livingstone, Housing		
Lead Officer	Stephen Platts, Director of Regeneration and Stephen Douglas, Head of Community Engagement		
Report Author	Nnenna Urum-Eke, Housing Regeneration Programme Manager		
Version	Final		
Dated	9 July 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 of Finance and Corporate Services	Yes	Yes	
Cabinet Member	Yes	Yes	
Date final report sent to constitutional team		9 July 2015	

APPENDIX 1**Protocol for the Consideration of New Development Proposal****Charter of principles**

We have made six pledges to our residents

These pledges explain how we will make sure you are involved in the most important decisions. A summary report on the results of the Charter of Principles consultation and the full cabinet report on the consultation are available on the Southwark website.

We call these six pledges our "Charter of Principles". The pledges cover the following:

Pledge 1 - How we will work with you on developing the principles for housing investment and renewal of our estates

- We will work with you to identify what are the factors which make an estate a success and worth investing in for the future.
- We will involve the community area by area as we work with you to consider the options and opportunities for development in each part of the borough.

Pledge 2 - How we will work with you on the development of the new homes on your estate

- We will work with you on the design of each scheme and keep you informed every step of the way as the programme progresses.
- Consultation and engagement will continue throughout the design and delivery of the programme rather than be a one-off exercise at the beginning without further opportunities to give us feedback.
- We will keep you informed as to how your views have been taken into account.
- Each scheme will have a named lead officer so that residents know who to contact.
- Consultation will be led by local project groups of residents and local councillors in each area.
- We will hold one to one meetings for any resident that wants one.
- We will only proceed with submitting a planning application for proposals for this programme where there has been thorough dialogue and consultation with residents.

Pledge 3 - How we will involve you in ensuring that the new homes are delivered to a high standard

- For each scheme we will set up a residents' project team of interested residents to regularly meet with us on the delivery of the new homes.
- We will involve representatives from the wider community affected by the development of new homes.
- We will hold monthly site meetings with resident representatives from the residents' project team.
- We will walk around the site with resident representatives and ward councillors a week before the handover.
- We will carry out a satisfaction survey to find out how satisfied you are with how the projects are delivered, and what we can learn for the future.
- We will work with you to ensure we get value for money for every pound spent on the programme.

Pledge 4 - Giving you a real say in how the new homes are managed

- We will work with you on an area basis on options for involving you in the longer term management and upkeep of your home.

Pledge 5 - We will demand high standards for the quality and affordability of new homes

- The 11,000 homes that we develop for rent will be let at formula or target rent i.e. true council rent levels.
- We aim to develop new homes that meet high standards of construction, design and environmental sustainability.
- The programme will include homes that fully meet the needs of vulnerable people and people with disabilities.
- We will make sure that our new homes help people to live independent lives.
- We will work with you not just to build new homes but to create great neighbourhoods with a strong sense of community.
- We will work with you to plan how our investment can create opportunities for improvements to the whole neighbourhood, building communities of which we can all be proud.
- We will ensure that the programme supports local employment and skills sourcing local labour and involving local businesses.

Pledge 6 - Your housing options if you are affected by redevelopment of your estate

- We will ensure that leaseholders and homeowners affected by redevelopment get access to dedicated advice, support and information on their options for the future.
- This will include, where it is necessary, offering a full range of options for re-housing including shared ownership and shared equity, and any loss, compensation or disturbance payments residents may be entitled to.
- The programme aims to benefit local people and any tenant or leaseholder wanting to stay in an area where development takes place will be offered options to do so.
- We want to make most effective use of the new stock to make sure it is let fairly and in a way that deals with any specific local issues and concerns, and contributes to sustainable and mixed communities.
- We will work with residents to give them a say on lettings so that, for example, we make provision for those freeing up under-occupied properties, and to ensure that lettings take account of local circumstances.
- Where tenants of the new homes want to move they will have the same rights to transfer and exchange their homes as any other Southwark tenant.
- At least half of the homes we develop will be available to tenants in housing need on the estate at the first letting to make sure that local residents affected by redevelopment get a fair deal.

APPENDIX 2

Protocol for the Consideration of New Development Proposal

Residents Steering Group

Draft Terms of Reference

1. PURPOSE

The [estate/block name] Residents' Steering Group (RSG) is established to ensure meaningful resident consultation and effective participation in decision-making on all aspects of appraising and implementing the redevelopment proposal for the [estate/block name]. **This is in accordance with Charter of Principles which sets out the basis upon which the council will engage with residents, particularly around the 11,000 new homes programme.**

As a formal consultation and stakeholder engagement group for the Council, the role of the RSG is to represent the interests of tenants and leaseholders affected by the redevelopment proposals ('affected residents').

The RSG is not a decision making body; rather it is expected to make recommendations to the Council relating to the redevelopment proposals for [estate/block name].

2. STRUCTURE AND COMPOSITION OF THE RESIDENTS STEERING GROUP

The membership of the RSG will be from those residents volunteering as members from [estate/block name]. The membership selection is to be updated within 3 months of Southwark Council making a formal decision to proceed with the redevelopment proposal. If the decision is not to proceed, the group will be disbanded.

Where there is an active and recognised tenants and residents association (TRA), there will be at least one representative from the TRA.

Others invited to RSG Meetings in a non-voting capacity:

- Ward Councillors, Officers from LBS,
- independent advisors as required
- Other local stakeholder bodies to be decided by the RSG

The members of the RSG shall elect from their own voting membership a Chair and a Vice Chair.

RSG Members will be able to resign from the RSG by giving a month's notice.

The RSG will be able to co-opt residents to become members of the RSG. Co-opted members will have the same rights and responsibilities as other members.

The RSG is a genuine partnership with all members having equal rights. Votes, ~~on the basis of the majority rule~~, will be taken on contentious issues or where consensus is not achieved. In the case of an equality of votes, ~~whether on a show of hands or on a ballot~~, the Chair of the meeting shall have a second or casting vote.

At every meeting of the RSG the Chair (or in his or her absence, the Vice Chair) shall preside. If neither the Chair nor Vice Chair is present within fifteen minutes of the time appointed for the meeting then the members of the RSG present shall appoint one of their number to act as Chair, whose function it shall be to conduct the business of the meeting in an orderly manner.

The quorum necessary for the transaction of the business of the RSG shall be a third of voting members of the RSG.

The RSG will have the authority to set up specific task and finish groups as it considers relevant to ensure the delivery of the redevelopment proposals and associated issues. These groups will be required to report back to the RSG.

The term of the RSG will be one year and will be renewable for the life of the redevelopment proposal and the subsequent regeneration programme.

On completion of the regeneration programme, the RSG in consultation with the TRA and Resident Engagement officers will determine whether to disband or to become a subgroup of TRA (thereby enabling the continued benefit of the RSG's experience in delivering major works).

Where a TRA does not exist, the RSG in consultation with Resident Engagement officer will determine whether to reconstitute as a recognised TRA.

3. RESPONSIBILITIES OF THE [ESTATE/BLOCK] RESIDENTS' STEERING GROUP

The RSG shall be responsible for:

- Representing the interests of affected residents in their consideration of the redevelopment proposals.
- Representing the diversity of the affected residents.
- Promoting equality in the work of the RSG and in the redevelopment proposals.
- Working with the Council and other stakeholders to implement the redevelopment proposals.
- Providing information and sign posting assistance to affected residents.
- Making representations to the Council on issues associated with the consideration of the redevelopment proposal and the implementation of the subsequent regeneration programme.

In carrying out its functions the RSG will have access to Council Officers and other advisors throughout the duration of the programme and will be encouraged to comment upon, challenge, influence and shape the proposals prior to formal Council decisions being made. The Council will make available, on request, background documents and information to aid the process of consultation.

RSG Members will be expected to:

- Attend meetings - if they have not attended 3 meetings without sending apologies the RSG can end their membership
- Read papers before each meeting
- Represent the interests of all affected residents
- Use their best endeavours to work together to enable the RSG to meet its responsibilities.
- Treat others at the meeting with respect.
- Uphold the confidentiality of information provided to them.

4. PROCEEDINGS AT MEETINGS

Notice of Meetings

The Agenda and papers for discussion shall be circulated 7 working days prior to the meeting, and only in matters of urgency shall papers be circulated 3 working days in advance

Late items will be accepted at the discretion of the Chair, and shall only be matters that are urgent and could not be included in the Agenda

Servicing of Meetings

Servicing of meetings will be arranged by the Council, which will include taking minutes, sending out papers to RSG members and circulating information to other relevant parties.

Conduct of Meetings

Agenda planning will be the responsibility of the Chair and the relevant council officer.

Items for the Agenda shall be notified to the Chair at least 14 days before each meeting.

A public record will be maintained of the decisions of the RSG. Approved minutes will be posted on the Council website.

Confidential business items will be clearly indicated on the agenda. No member shall disclose the content of, or discussions relating to confidential business items. Papers relating to confidential items will be numbered, tabled at the meeting and retained at the end of the meeting when necessary.

The first 30 minutes of RSG meetings will be open to all affected residents from to attend to make representations to the RSG. Representations to the RSG or

the opportunity to address the meeting will be considered, at the discretion of the chair.

Only members of the RSG will be able to vote at RSG Meetings.

The Chair will be able to vote on resolutions of the RSG.

If the vote is tied the Chair will have a second and casting vote. In the case of the post of Chair being jointly held, the joint post holders must agree how to use the casting vote.

Frequency of Meetings

The RSG will agree a timetable for regular meetings at the beginning of each term. The Chair, after consultation with the Vice-Chair, may convene an urgent meeting outside the agreed schedule to discuss any urgent issues that cannot wait until the next regular meeting.

Properties Covered by the [Estate/Block] RSG

- [list properties]

[insert catchment map]

Item No. 14.	Classification: Open	Date: 21 July 2015	Meeting Name: Cabinet
Report title:		Cash Incentive Scheme 2015/16	
Ward(s) or groups affected:		All wards	
Cabinet Member:		Councillor Richard Livingstone, Housing	

FOREWORD – COUNCILLOR RICHARD LIVINGSTONE, CABINET MEMBER FOR HOUSING

This report seeks cabinet's approval to extend the council's Home Purchase Grant scheme, which provides financial support to council tenants that wish to move out of their current home to buy a home elsewhere. The scheme is currently funded jointly by the council and the GLA. The scheme was first established in 2007.

Extending the scheme will enable the council to offer more attractive incentives to those tenants who wish to buy a home from the housing market and, in doing so, free up a council home for a household that needs it. The incentive given for a two bedroom property will increase by £20,000 and that for four bedrooms or more would increase by £30,000. In addition, one bedroom properties would be brought within the scope of the scheme for the first time.

This extension is possible as a result of a successful bid to the Department for Communities and Local Government for resources and doing so is a cost-effective way to provide housing to those on the housing waiting list, alongside other initiative taken by the council including the construction of 11,000 new council homes.

RECOMMENDATIONS

Recommendation for the Cabinet

1. The cabinet approves the following in relation to the council's cash incentive scheme in 2015/16:
 - The use of up to £2.25 million of central government funding awarded under the Right to Buy Social Mobility Fund for the release of up to 75 tenanted units.
 - The funding allocation of up to £1.65 million agreed by the Housing Investment Board (HIB) on 14 May 2015 set out in this report in paragraphs 17 and 33.
 - The changes to the terms and operation of the scheme necessitated by Right to Buy Social Mobility Funding detailed in paragraph 25 and Table 4.
 - The Cabinet notes the revenue resource implications outlined in paragraphs 35 to 37

Recommendation for the Leader of the Council

2. That the Leader delegates future decision making on the continuation of the scheme with Right to Buy Social Mobility Funding to the cabinet member for

housing in accordance with paragraph 26.

BACKGROUND INFORMATION

3. The council has offered a cash incentive scheme (CIS) to its secure tenants since 2007. Southwark's scheme is branded the "Home Purchase Grant" (HPG) scheme. Cash Incentive schemes have long been recognized as being a very cost-effective way for local authorities to release housing stock for re-letting when compared against the cost of building new stock, de-converting existing stock or purchasing stock.
4. Since the first HPG scheme grant was awarded in 2008, the council has issued a total of 50 grants at an overall cost of £1.19million. The scheme has attracted different funding sources over the years, both internal and external. In 2006/07, an award was made by the GLA to be used by the council to release properties from under-occupiers. In 2009/10 a new funding source was identified, this being the capital receipts from the sale of council homes to tenants under the Social Homebuy scheme and the onward sale of leasehold properties returned to the council through forfeiture. All previous Cash Incentive reports are annexed to this report as background documents.
5. Currently, grants for tenants releasing two bedroomed properties are again part-funded by the GLA under an award resulting from a successful council bid for their "Building the Pipeline" funding in 2013. The target number of properties to be released with GLA match funding is 17 in 2015/16.
6. The current funding position and grant levels for applicants are set out in Table 1 below:

Table 1 – Current Funding Streams

	Size of property released	2 bed	3 bed	4 bed	5+ bed
--	----------------------------------	--------------	--------------	--------------	---------------

Grant to tenant	Basic grant	£30,000	£35,000	£40,000	£45,000
	Desirable features grant	£3,000	£3,000	£3,000	£3,000
	Moving costs	£3,000	£3,000	£3,000	£3,000
	Total maximum grant available	£36,000	£41,000	£46,000	£51,000

Funding Streams	GLA funding (grant alone)	£14,000	£0	£0	£0
	Southwark funding (grant alone)	£16,000	£35,000	£40,000	£45,000
	Southwark funding (desirable features & moving costs, where applicable)	£6,000	£6,000	£6,000	£6,000
	Total maximum funding required	£36,000	£41,000	£46,000	£51,000

Notes:

1. An additional grant of £3,000 is applicable where the property being released is deemed to have at least two desirable features which makes it better suited to rehousing families (e.g. more than one bathroom/WC, garden, ground floor, etc). The council funds this additional grant for all sized properties being released.
2. The council pays for moving costs of up to £3,000. The actual cost is paid on invoice.

7. Again, although there can be seen to essentially be two schemes in operation (one for 3+ beds funded by the council and one for 2 beds part-funded by the GLA) this is seamless from the tenant perspective and the branding of HPG covers both.

Right to buy Social Mobility Fund

8. On 20 February 2015, central government announced that £84m was available as a Right to Buy Social Mobility Fund and offered all stock retaining local authorities the opportunity to bid for this funding to offer tenants who cannot or do not wish to exercise their right to buy a grant to purchase an alternative home on the open market. The prospectus stated that a maximum of £30,000 from the fund could be offered per property released back but local authorities could top up the amount from their own resources. Bids had to be submitted within a very short timeframe, by 18 March 2015.
9. Due to the tight schedule and the onset of the pre-election period, it was not possible to submit the full and detailed proposal for approval by IDM or Cabinet before submission of the bid. Given no reference to any penalty imposed for successful bidders withdrawing at any time, it was considered wise to submit a bid in advance of making a final decision to proceed to avoid losing the opportunity. The green light to make the bid was given at Housing Senior Management Team level on 9 March 2015 and the Cabinet Member for Housing was briefed on the same day.
10. Southwark Council made an ambitious bid (annexed to this report) for funding of £2.25 million for the release of 75 units in 2015/16. It was a requirement that the bid was approved and signed by the Strategic Director of Finance and Corporate Services.
11. The Deputy Director of Affordable Housing Regulation and Investment advised the council in a letter dated 26th March 2015 that its bid was successful. The letter and a summary of all successful bids are also annexed to this report. Southwark's allocation of £2.25 million is second only to that of Stoke-on-Trent City Council's allocation of £2.5 million.
12. It is important to note that the grant is not forward funded. The council is required to prove expenditure to central government and reclaim said expenditure in the middle and at the end of the 2015/16 financial year.

KEY ISSUES FOR CONSIDERATION

13. At the start of the 2015/16 financial year the cash incentive scheme capital budget is £420,661. Based on the average cash incentive grant of approximately £24,000.00, this would enable 18 completions.
14. Prior to the successful bid for RTB Social Mobility Funding, the council had re-negotiated the target number of completions under the GLA funding bid mentioned in paragraph 5. The target output for this financial year (the last year GLA funding under our contract is available) is 17 completions.
15. It is proposed that the RTB Social Mobility Funding be used to supplement the basic grant levels for all sized properties by the £30,000 per grant awarded. This will offer secure tenants a competitive alternative to the right to buy and curtail

these disposals. A slight difficulty arises in that the GLA has confirmed that the funding streams cannot be mixed. This being the case, officers in Specialist Housing Services have been cautious in determining the information to be given to existing applicants about the grant level they may be entitled to (should the recommendations in this report become implementable). At present and pending implementation, officers are managing the scheme as normal, offering the existing grant amounts specified in paragraph 6 and will continue to make claims to the GLA in-line with our on-going contract with them for those cases that do not meet Right to Buy Social Mobility Fund criteria.

16. It is within the head of specialist housing services' authority to approve changes to the grant levels offered under the HPG scheme. However, the budget required to increase the grants to the levels specified in the successful CLG bid required a bid to the HIB and cabinet approval. Consequentially officers have used this opportunity to make other small amendments to the scheme policy as set out in the policy implications section of this report. Some of these changes are necessitated by application trends and some by conditions set by central government on the use of the funding.
17. The Right to Buy Social Mobility funding comes with certain stipulations around eligibility. These are set out in the prospectus, bid application form and bulletin, annexed to this report. In summary:
 - To qualify, tenants must qualify for the Right to Buy, but not have an application in progress. The funding is essentially being made available to assist tenants that cannot or do not wish to purchase their rented home.
 - The Authority cannot assist tenants to purchase shared ownership properties with the funding.
 - Older tenants and those that are unable to buy their council home under the Right to buy, due for example to the construction type of their block, are to be prioritised.
18. The proposed grant levels which formed the basis of the council's bid and agreed at HIB are set out in Table 2.

Table 2 - Proposed Funding Streams

Property size released	1 Bed	2 Bed	3 Bed	4 Bed	5+ Bed
Basic incentive	£30,000	£50,000	£60,000	£70,000	£75,000
<i>Of which is RTB Social Mobility Fund</i>	<i>£30,000</i>	<i>£30,000</i>	<i>£30,000</i>	<i>£30,000</i>	<i>£30,000</i>
<i>Of which is Southwark Funding*</i>	<i>£0</i>	<i>£20,000</i>	<i>£30,000</i>	<i>£40,000</i>	<i>£45,000</i>
Additional incentive (houses and ground floor garden flats only) (Southwark Funding)	£3,000	£3,000	£3,000	£3,000	£3,000
Maximum contribution to moving costs (Southwark Funding)	£3,000	£3,000	£3,000	£3,000	£3,000
Total maximum grant to tenant	£36,000	£56,000	£66,000	£76,000	£81,000

** It is proposed that occupiers of one-bed properties that wish to take advantage of the grant and move to a RSL Shared Ownership property should be aided to do so despite such purchases not qualifying for Right to Buy Social Mobility Funding. See Table 4 for detail.*

19. It is important to note that the proposed changes to the grant levels as a result of the new funding detailed in Table 2 exclude the current funding agreement with the GLA. This issue is also noted in the Policy implications section of this report

at Paragraph 25.

Policy implications

20. All but one of the previous council policy decisions on the Cash Incentive Scheme have been taken as Individual Member Decisions by the Cabinet (and formerly, Executive) Member for Housing.
21. This particular decision is now put before the Cabinet because of the level of the council's own capital and revenue resources required to take advantage of the Right to Buy Social Mobility funding. This decision could not come forward before now due to factors mentioned in paragraph 8.
22. Right to Buy 're-invigoration' continues to take effect. Annual completions in Southwark have increased from 24 in 2011/12 to 304 in 2014/15 in light of a number of legislative changes designed by central government to increase take-up on a national level. Most recently (from 26 May 2015), the statutory qualification period was reduced from 5 to 3 years with the Royal assent of the Deregulation Bill.
23. Interest in the council's Social Homebuy (SHB) and HPG schemes has suffered in the face of Right to Buy re-invigoration. The discount available under the SHB scheme was (under a specific consent from the DCLG) linked to the Right to Acquire scheme (a maximum of £16,000 in London) and grants available under the HPG scheme have since 2012 been considerably less than the discount available under the RTB since re-invigoration.
24. The council sought to redress the balance through a policy decision on 18 March 2014 – 'Home ownership, voluntary disposals and non-statutory acquisitions', (annexed to this report) in which the discount available under the SHB scheme is now linked to the RTB discount and the HPG grants available are slightly increased. Interest in both schemes has increased as a result of these changes, but undoubtedly the Right to Buy remains the far more popular route into home ownership for secure tenants. The government continues to press its national policy agenda on increasing home ownership amongst social sector tenants. More legislative changes have been tabled which will affect Local Authorities, Housing associations and RSLs.
25. Before setting out the changes proposed to the scheme, some of which are again necessary to comply with the rules applicable to the Right to Buy Social Mobility Funding, it is worthwhile demonstrating how the cash incentive scheme has evolved since 2005/06. For ease of reference, both are set out in table format: Again, copies of all the previous reports are annexed to this report as background papers.

Table 3: Summary of previous Cash Incentive Policy decisions

Policy name, year and decision maker	Summary of provisions
"Proposals for a Southwark Cash Incentive Scheme", October 2005, Individual Member Decision – Executive Member for Housing.	Set out the aims, resources and basic eligibility rules for the scheme. Provided narrative on the 'for' and 'against' reasons for operating a scheme. The scheme was to be aimed at tackling over-crowding by incentivizing under-occupiers of 3+ bed properties to move

Policy name, year and decision maker	Summary of provisions
"Revised Cash Incentive Scheme", August 2009, Individual Member Decision – Executive Member for Housing	Identified SHB sale and forfeited lease sale receipts as source of capital to fund the scheme. Opened the scheme to 2bed properties where statutorily overcrowded, allowed shared ownership purchases, gave discretion not to register grant as a legal charge. Property of any value or size can be purchased as long as affordable
Progress update and recommended revisions to the Cash Incentive Scheme, December 2011, Individual Member Decision – Cabinet Member for Housing	Allowed grants to be used in a number of new ways: To assist with the building of property extensions; Flexibility where applicants are using Sharia-compliant mortgages; Grant levels to be determined by Head of SHS; Non-residents can jointly apply with the secure tenant(s); Opening up of scheme to 2beds where overcrowding is not statutory in nature; Allowed 'mortgage buy-in', where a tenant can become joint owner of a property already owned by a family member, partner or friend.
Extension of Southwark's Under-Occupation initiative (Smart move), May 2013, Cabinet Member for Housing	Introduction of a pilot cash incentive scheme for tenants moving into private rented accommodation. Proposals to be brought forward by SHS.
Home Ownership, Voluntary Disposals and non-statutory acquisitions, March 2014, Cabinet	Cabinet agreement to pilot cash incentive scheme for tenants moving into private rental sector. Scheme branded Tenant Move Assistance (TMA). Cabinet notes GLA bid and increase in grant levels under the HPG scheme

26. Table 4 below lists the changes required to policy to enable the council to meet the requirements of the Right to Buy Social Mobility Funding and to bring the scheme up to date.

Table 4: List of changes to be made to existing policy

Existing Policy	Change to provisions	Temporary or permanent change
"Proposals for a Southwark Cash Incentive Scheme", October 2005, Individual Member Decision – Executive Member for Housing.	Currently, tenants must have two years continuous (secure) tenancy with LB Southwark to qualify. This restriction needs to be removed as previous tenancies with other public sector bodies count towards RTB eligibility and a tenant may have been with Southwark for only one year and still qualify for the RTB	Temporary removal, during the period of the Right to Buy Social Mobility Funding. Reverts to current policy thereafter.

Existing Policy	Change to provisions	Temporary or permanent change
"Revised Cash Incentive Scheme", August 2009, Individual Member Decision – Executive Member for Housing	Currently, shared ownership purchases are allowed under the councils HPG scheme. Under the Right to Buy Social Mobility funding, shared ownership purchases are not allowed	Temporary removal, during the period of the Right to Buy Social Mobility Funding for properties of two or more bedrooms. Reverts to current policy thereafter. <u>Exception: With the opening of the scheme to 1 bed properties for the first time, the council will allow shared ownership purchases but will fully fund them from its own resources. As there has only ever been one shared ownership purchase with a HPG grant, numbers are expected to be no more than two or three in total.</u>
Progress update and recommended revisions to the Cash Incentive Scheme, December 2011, Individual Member Decision – Cabinet Member for Housing	There has been no take up of residents wishing to use a HPG to fund a building extension on a family member's home. It is proposed that this provision is not removed, but clearly this arrangement does not meet the criteria for Right to Buy Social Mobility Funding.	N/a For grants to build extensions, the current council funded grant levels in Table 1 continue to apply.
Progress update and recommended revisions to the Cash Incentive Scheme, December 2011, Individual Member Decision – Cabinet Member for Housing	There has been no take up of residents wishing to use a HPG to fund a mortgage buy-in. Clarification is required from CLG as to whether this 'buy-in' arrangement meets their criteria for Social Mobility Funding. At this time it assumed not	Temporary removal, during the period of the Right to Buy Social Mobility Funding. Reverts to current policy thereafter.
Home Ownership, Voluntary Disposals and non-statutory acquisitions, March 2014, Cabinet	There have been two applications for TMA grants and only one completion since March 2014. The scheme is not compliant for use with the Right to Buy Social Mobility Fund	Permanent removal

Existing Policy	Change to provisions	Temporary or permanent change
Home Ownership, Voluntary Disposals and non-statutory acquisitions, March 2014, Cabinet	The council is not likely to be able to meet the target output of GLA funded grant awards with this shift to focusing on the more generous Right to Buy Mobility Funding. The GLA funding can however be used for any 2-bed properties that do not meet the Social Mobility Fund criteria.	N/a The council will continue to offer grant levels specified in Table 1 for 2-beds that do not meet the new criteria. There are not expected to be more than one or two of these in total.

In addition, to these changes the desirable features payment of £3,000.00 (see Table 2) will only now be applied to houses and ground floor garden flats.

27. The DCLG advise that there will be a further opportunity to bid for Right to Buy Social Mobility funding for 2016/17. It is recommended that the Leader delegates authority for a future decision on continuing the scheme into the next financial year to the Cabinet Member for Housing. Officers will bring forward recommendations at the appropriate time.

Community impact statement

28. By taking advantage of the Right to Buy Social Mobility Fund, the increased council grant levels will bring affordable private home ownership into the reach of a greater number of secure tenants in the borough across all ages, religions, genders, ethnicities, sexual orientations and physical abilities.
29. This in turn will mean there will be a larger number of council homes available to rent. Each property released generates a 'chain' of re-lets, where tenants move from one property to another and it is estimated that 75 grants would generate in excess of 150 re-lets. The proposals will accordingly have a positive impact on both over-crowding and under-occupation by assisting households in need of larger affordable rented homes and those looking to down-size.

Resource implications

30. It is reasonable to say that 75 completions is an ambitious target and that it is difficult to anticipate exactly how many applications will reach completion this year. It is again even more difficult to say exactly what bed sizes these will be. We can however make quite educated predictions based on statistics collated over the last 7 years.
31. At the time the bid was made, the council had received 388 applications resulting in 48 completions and 243 withdrawals and a success rate of 16.5%. By opening up the scheme to tenants of one-bedroomed properties and supplementing all other existing grant levels, it is believed that the success rate can easily increase to 25%. In addition, due to current limited resources, Southwark is keeping a waiting list of approximately 50 applicants pending those resources becoming available. The funding injection proposed in this report will enable these applications to proceed as well as ensuring a better success rate.

32. We expect that the majority of completions will come from tenants of one and two-bed properties because (a) The waiting list of approximately 50 noted in paragraph 30 is almost exclusively comprised of two-bed properties and (b) we will target the 1 beds as these are likely to both provide 'quick wins' and require very little funding from the council's own resources.
33. However, the increase in grant levels for the family-sized units is likely to mean an increase in applications and therefore completions from these units because the grants will become so much more comparable to the RTB discount available.
34. If we make a very conservative assumption that over the 75 completions, the average resource requirement per grant from the council is £22,000.00 (including removals and desirable feature costs), the overall amount required to fund the scheme is a further £1.23 million in addition to the existing budget allocation of £420,661 specified in paragraph 12, making a total requirement of £1.65million (rounded).
35. The amount specified in paragraph 33 takes into account the consequential matters noted in paragraphs 31 and 32 and would give an average grant figure of £52,000.00.
36. The government funding cannot be utilised to recover scheme operation costs. The current scheme has already attracted more applications than the pre-HIB bid could process and would far outstrip the available funding. Again there are around 50 applications held in a waiting list. With a cash injection and a proposal to extend Southwark's CIS to one bedroomed properties (needed for downsizing tenants affected by welfare reform and most likely to be deemed unmortgageable), further staffing resources will be necessary to ensure its success. For the purposes of the bid, it was anticipated that at least another five officers employed on a full time basis would be required. It was proposed to Housing SMT that these staffing costs could be covered by a surplus in right to buy administration allowance which provides the council with £2,850 per completed right to buy sale. With 304 completed right to buy sales at the end of March 2015 sufficient funds have been generated, and these could cover the staffing costs associated for additional CIS officers.
37. If the scheme proves to be successful in 2015/16, there will be an opportunity to bid for further funding from the DCLG to continue into 2016/17. The Head of Specialist Housing Services is currently considering proposals for a restructure of the Sales and Acquisitions Group which will include changes to the Social Homebuy Team. In advance of these proposals, temporary members of staff have been employed (from 5th May 2015) to assist the Cash Incentive Officer deal with the current case load.
38. There are a number of additional revenue costs relating to the scheme including:
 - Advertising – promoting the scheme with appropriate literature and media
 - Recruitment – staffing the posts as noted in paragraph 24
 - IT/telephony – on-costs of staffing the posts
 - Training - on-costs of staffing the posts
 - Transport - on-costs of staffing the posts
 - Legal costs – Although the applicants are required to meet the council's legal costs for the registration of the legal charge, in general more advice time is

likely to be needed by staff and it is possible some legal precedents will need responsive updating

39. There is currently no separate SHS budget for any of these scheme-specific costs, so a budget will need to be established.

The scheme will also have knock-on effects for other divisions within Housing and Community Services and the council as a whole.

- a. Void turnaround costs – The costs associated with bringing and additional 75 properties back into stock per annum will increase.
- b. Officer time – Resident services officers undertake initial and final property inspections. These visits, along with completion of tenancy verification information forms will increase substantially.
- c. Housing Solutions – also undertake verification checks which will increase in number
- d. Income Officers – Ensure the rent due throughout the application and on completion is paid

Revenues and Benefits - also undertake verification checks which will increase in number

Financial Implications

Revenue

40. The revenue costs arising from this proposal already forms part of the HRA base budget planning assumptions for 2016/17 and will be fully funded, assuming the scheme progresses as planned and that government grant funding remains available. In 2015/16, the part-year impact will be met through HRA revenue reserves.

Capital

41. The current capital budget as shown on quarter 3 capital monitoring for 2014/15 for cash incentive scheme is £562,442 of which £141,781 was spent to the period 31 March 2015 leaving a balance of £420,661 to fund future expenditure on this scheme.
42. On 14 May 2015 Housing Investment Board (HIB) agreed a capital bid of £3.48m to fund the enhanced Home Purchase Grant (Cash Incentive). This bid is part funded from central government of £2.25m and the remainder of £1.23m from council resources. This capital bid is being included in the 2014/15 quarterly capital monitoring outturn report to cabinet for formal approval. Once approved by cabinet, the scheme will have an overall approved budget of £3.9m from which the scheme will be funded.
43. The projected financial position on the council's entire housing investment programme currently indicates a significant gap in resources against the expected expenditure on the total programme across the years. Therefore cash flow implications will need to be monitored closely to ensure that there are sufficient resources to fund the overall Housing Investment Programme on a yearly basis.

Consultation

44. No consultation on these proposals has been undertaken and none is proposed.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Legal Services

45. The council is authorised to implement the cash incentive scheme by virtue of Section 129 of the Housing Act 1988 as amended by The Regulatory Reform (Schemes under Section 129 of the Housing Act 1998) (England) Order 2003.
46. This enables a local authority to make grants to or for the benefit of qualifying tenants or licensees of the authority with a view to assisting the person to whom or for the benefit of whose benefit a grant is made to obtain accommodation otherwise than as a tenant or licensee of the authority either by acquiring an interest in a dwelling-house or by carrying out works to a dwelling-house or by both means.
47. The scheme must contain such provisions as the authority considers appropriate.
48. The scheme may include provisions specifying, or providing for the determination of:
- (a) who are qualifying persons for the purpose of the scheme;
 - (b) the interests which qualifying persons may be assisted to acquire;
 - (c) the works for which grants may be made;
 - (d) the circumstances in which a grant may be made for the benefit of a qualifying person;
 - (e) the amount of the grant which may be made in a particular case and the terms on which it may be made;
 - (f) the limits on the total number of grants which may be made; and
 - (g) the period within which the scheme is to apply.
49. The scheme must be publicised.

Strategic Director of Finance and Corporate Services

50. This report is seeking cabinet approval to change the terms of the Cash Incentive Scheme in 2015/16, details of which are included in the main body of the report.
51. The financial implication section provides details on how the revenue and capital costs are expected to be funded.
52. It is also noted that regular and robust monitoring of the Housing Investment Capital Programme will be required to ensure there are sufficient resources to fund the overall programme on a yearly basis.
53. Staffing and any other costs connected with this recommendation to be contained within existing departmental revenue budgets.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
"Proposals for a Southwark Cash Incentive Scheme", October 2005, Individual Member Decision – Executive Member for Housing.	Southwark Council 160 Tooley Street London SE1 2QH	Mark Maginn, Social Homebuy Manager, mark.maginn@southwark.gov.uk 020 7525 7431
Link: http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=5138&Ver=4		
"Revised Cash Incentive Scheme", August 2009, Individual Member Decision – Executive Member for Housing	Southwark Council 160 Tooley Street London SE1 2QH	Mark Maginn, Social Homebuy Manager, mark.maginn@southwark.gov.uk 020 7525 7431
Link: http://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?id=710		
Progress update and recommended revisions to the Cash Incentive Scheme, December 2011, Individual Member Decision – Cabinet Member for Housing	Southwark Council 160 Tooley Street London SE1 2QH	Mark Maginn, Social Homebuy Manager, mark.maginn@southwark.gov.uk 020 7525 7431
Link: http://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?ID=2610		
Extension of Southwark's Under-Occupation initiative (Smart move), May 2013, Cabinet Member for Housing	Southwark Council 160 Tooley Street London SE1 2QH	Mark Maginn, Social Homebuy Manager, mark.maginn@southwark.gov.uk 020 7525 7431
Link: http://moderngov.southwarksites.com/ieDecisionDetails.aspx?id=3795		
Home Ownership, Voluntary Disposals and non-statutory acquisitions, March 2014, Cabinet	Southwark Council 160 Tooley Street London SE1 2QH	Mark Maginn, Social Homebuy Manager, mark.maginn@southwark.gov.uk 020 7525 7431
Link: http://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?ID=4538		
DCLG Right to Buy Social Mobility Fund prospectus	Southwark Council 160 Tooley Street London SE1 2QH	Mark Maginn, Social Homebuy Manager, mark.maginn@southwark.gov.uk 020 7525 7431
Link: http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=5138&Ver=4		
LBS Application form to CLG for Right to Buy Social Mobility Funding	Southwark Council 160 Tooley Street London SE1 2QH	Mark Maginn, Social Homebuy Manager, mark.maginn@southwark.gov.uk 020 7525 7431
Link: http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=5138&Ver=4		
DCLG Award Decision and list of successful bidders	Southwark Council 160 Tooley Street London SE1 2QH	Mark Maginn, Social Homebuy Manager, mark.maginn@southwark.gov.uk 020 7525 7431
Link: http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=5138&Ver=4		

Background Papers	Held At	Contact
DCLG Bulletin	Southwark Council 160 Tooley Street London SE1 2QH	Mark Maginn, Social Homebuy Manager, mark.maginn@southwark.gov.uk 020 7525 7431
Link: http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=5138&Ver=4		

APPENDICES

No.	Title
None	

AUDIT TRAIL

Cabinet Member	Councillor Richard Livingstone, Housing		
Lead Officer	Gerri Scott, Strategic Director of Housing and Community Services		
Report Author	Martin Green, Head of Specialist Housing Services		
Version	Final		
Dated	9 July 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 of Finance and Corporate Services		Yes	Yes
Cabinet Member		Yes	Yes
Date final report sent to Constitutional Team			9 July 2015

Item No. 15.	Classification: Open	Date: 21 July 2015	Meeting Name: Cabinet
Report title:		Proposal to Implement the Extension of Licensing Powers under the Housing Act 2004	
Ward(s) or groups affected:		All wards affected. Particularly landlords and tenants of private rented dwellings	
Cabinet Member:		Councillor Richard Livingstone, Housing	

FOREWORD – COUNCILLOR RICHARD LIVINGSTONE, CABINET MEMBER FOR HOUSING

The private rented sector is rapidly growing in Southwark: in the 2011 census, 70,000 people – a quarter of all residents in the borough – lived in a privately rented home. Whilst most of these homes are well-managed, all too often the council has to intervene where landlords are not treating their tenants fairly or where landlords are doing too little to address the antisocial behaviour of their tenants.

As the sector has grown, it has become increasingly clear that the current powers available to the council are insufficient to tackle these problems effectively. As the pressures on housing numbers increase, the private rented sector will continue to grow and an increasing number of families are becoming its tenants. That change means that we need to pay more attention to the welfare of the children growing up in those homes, ensuring that they grow up in good, healthy housing conditions.

In 2014, the council decided to consult on extending its licensing powers relating to the private rented sector to tackle anti-social behaviour and improve the standards of housing. After extensive consultation, this report proposes to extend these powers in two ways:

- Firstly, by introducing a selective licensing scheme covering all privately rented properties in those parts of the borough most prone to anti-social behaviour, poor property conditions and poor management by the landlord. The appendices of this report identify these areas, focused on some of the borough's main thoroughfares.
- Secondly, by implementing additional licensing requirements for Houses in Multiple Occupancy (HMOs). This will cover all privately-rented homes where more than one family unit is resident that are not currently covered by the council's statutory HMO licensing duties.

These steps will help the council work in better partnership with good landlords, support those landlords who want to manage their homes more effectively whilst also enabling more targeted and effective action against rogue landlords.

RECOMMENDATIONS

1. To authorise the implementation of the additional licensing scheme from 1 November 2015 for Houses in Multiple Occupation (HMOs) in Southwark under

the Housing Act 2004. This will cover all HMOs in the borough that are not covered by mandatory HMO licensing.

2. To approve the initial fee levels for additional licensing as set out in the report.
3. To authorise the implementation of the selective licensing scheme from 1 November 2015 in Southwark under the Housing Act 2004. (Appendix 1 provides maps of the areas affected by the scheme and Appendix 2, addresses of those dwellings within the selective licensing Area)
4. To approve the initial fee levels for selective licensing as set out in the report.
5. To delegate the authority to the strategic director of environment and leisure to amend the licensing fee and make such other changes to the schemes as necessary for the effective administration of the schemes.

BACKGROUND INFORMATION

6. The private rented sector (PRS) now constitutes a quarter of the housing in Southwark, and plays an important role in meeting the housing requirements of residents. Much of the sector provides decent accommodation and is well managed. However, there are problems associated with parts of the sector (mostly HMOs), arising from poor management and property conditions and related problems of anti-social behaviour. Additionally, evidence also shows a link between increased antisocial behaviour in areas where the concentration of privately rented single family dwellings is high.
7. Growth in the PRS in Southwark has been significant; in 2001 it represented almost 9% of the stock and by 2011 had grown to over 25%. Latest estimates indicate that the sector comprises around 30,000 properties.
8. Poorly-managed privately rented dwellings have a detrimental impact on some neighbourhoods. Anti-social behaviour, nuisance neighbours, accumulations of rubbish and other problems can be linked to the failure of private landlords to manage their properties and tenancies effectively. Overcrowding, sub letting and illegal conversions are also features of the private rented sector in Southwark. All of these issues contribute to problems within the neighbourhood.
9. A lot of these issues described in 8 above, are due to the huge demand for housing in the Borough, such that some tenants have little choice but to accept poor quality and potential unsafe housing.
10. In response to concerns about the standards of management and maintenance in the sector, Officers undertook in-depth analysis and study to explore the nature and extent of the problems. Officers also needed to find potential solutions including the use of the authority's discretionary licensing powers.
11. The findings of the study demonstrated a correlation between areas where there is a high incidence of ASB and a higher density of privately rented dwellings. The incidence of anti-social behaviour in some areas, indicated that there is a case for the introduction of selective licensing. These areas were found to be predominately along the main thoroughfares and high streets of the borough where there is a concentration of privately rented flats above shops.

12. On the basis of the findings outlined above, it was agreed by the lead member for Housing, on 15 September 2014, that the Council should consult on proposals to introduce an additional licensing borough wide and selective licensing in the areas outlined in Appendix 1.
13. The Housing Act 2004 sets out specific requirements for the introduction of additional and selective licensing, these differ, reflecting the different purposes of each approach. Under the Act, there are three forms of licensing relating to private rented housing available to local authorities:
 - (a) **Mandatory Licensing**
All local authorities are obliged to run a licensing scheme covering Houses in Multiple Occupation (HMOs) that have three or more storeys and are occupied by five or more people. A scheme has been in operation in Southwark since 2006.
 - (b) **Additional Licensing**
Section 56 of the Housing Act 2004 provides a power to licence HMOs not covered by mandatory licensing; defined as properties containing 3 or more separate households in a property of no more than 2 floors. Under additional licensing, local authorities can designate an area for an initial 5 years but must be satisfied that a significant proportion of the HMOs in the area are being managed sufficiently ineffectively as to give rise to one or more particular problems, either for those occupying the HMOs or for members of the public.
 - (c) **Selective Licensing**
Under Part III of the Act, local authorities can introduce selective licensing schemes that focus on improving the management of privately rented properties accommodating single households as well as HMOs. Areas designated for selective Licensing must demonstrate low housing demand or be experiencing 'significant and persistent' problems with anti-social behaviour. Additional selective licensing conditions have also been recently introduced by the selective licensing of Houses (Additional Conditions) (England) Order 2015.
14. In line with the powers outlined above, this report is concerned with two distinct schemes that will, if introduced, operate in parallel and as part of wider strategies for housing and related issues.

KEY ISSUES FOR CONSIDERATION

15. This report provides cabinet with an overview of the provisions within the Housing Act 2004 that allow local authorities to introduce additional and selective licensing schemes of private rented accommodation. The report seeks agreement to implement additional licensing of HMOs borough wide, and selective licensing in pockets of the borough that have high levels of private rented accommodation, poor housing conditions and that suffer from high levels of deprivation and crime and anti-social behaviour.

The legal requirements for additional and selective licensing

16. The Housing Act 2004 sets out specific requirements for the introduction of additional and selective licensing. These differ, reflecting the different purposes

of each approach and are considered in detail in the legal implications of this report.

17. Evidence gathering and consultation have sought to establish the position in relation to the requirements for each scheme, which are summarised below.

Additional licensing

18. Additional licensing is intended to cover smaller HMOs, not covered by the mandatory scheme.
19. Before implementing an additional licensing scheme, s.56 -57 of the Housing Act 2004 states that the authority must:
 - Consider that a significant proportion of the HMOs of that description in the area are being managed sufficiently ineffectively as to give rise, or be likely to give rise, to one or more particular problems either for those occupying the HMOs or for members of the public
 - Take reasonable steps to consult persons who are likely to be affected by the designation
 - Consider any representations made in accordance with the consultation and not withdrawn
 - Ensure that exercise of the powers are consistent with the council's overall Housing Strategy and that a coordinated approach is taken in connection with dealing with homelessness, empty properties and anti-social behaviour affecting the private rented sector
 - Consider whether any other course of action – for example the use of other enforcement powers – would be effective and whether the designation of Additional Licensing will assist in dealing with identified problems
 - Ensure that the test for determining whether a landlord is a 'fit and proper' person to be a licence holder (s66) is carried out
 - Have regard to any information regarding the extent to which any codes of practice approved under section 233 of the HA 2004 have been complied with by persons managing the HMOs in the area in question.

Selective licensing

20. Selective licensing is intended to assist in dealing with low demand and/or anti-social behaviour. As the former is not relevant in Southwark, anti-social behaviour has been the focus. Before a selective licensing scheme can be introduced, s.80 – s 81 of the Act states that an authority must:
 - Be satisfied the area is experiencing a significant and persistent problem caused by anti social behaviour, that some or all of the private sector landlords who have let premises in the area are failing to take action to combat the problem that it would be appropriate for them to take
 - Be satisfied that making a designation will, when combined with other measures taken by the local authority or by others together with the local authority, lead to a reduction in, or the elimination of, the problem
 - Take reasonable steps to consult persons who are likely to be affected by the designation
 - Consider any representations made in accordance with the consultation and not withdrawn

- Ensure that exercise of the powers are consistent with the council's overall Housing Strategy and that a coordinated approach is taken in connection with dealing with homelessness, empty properties and anti-social behaviour affecting the private rented sector
- Consider whether any other course of action – for example the use of other enforcement powers – would be effective and whether the designation of additional licensing will assist in dealing with identified problems
- Ensure that the test for determining whether a landlord is a 'fit and proper' person to be a licence holder (s89 paragraph 1, 2 and 3)
- Ensure that a licence include mandatory conditions as detailed in Schedule 4 of the Act.

The case to support additional and selective licensing

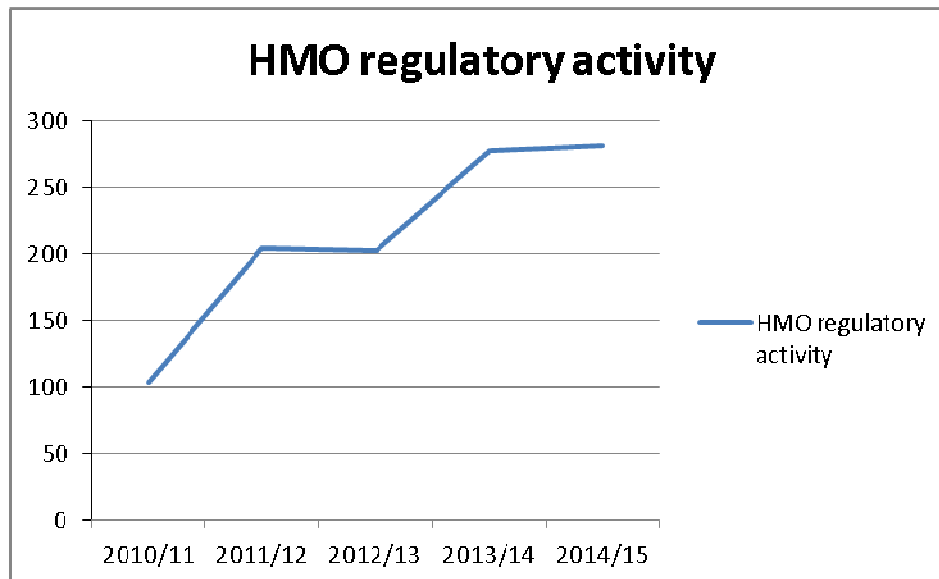
21. The precise extent of private renting and the number of HMOs is difficult to ascertain. There are no requirements for landlords or tenants to inform the council or others of their status. The market is also very dynamic.
22. There is some overlap between the requirements for additional and selective licensing in terms of relevant evidence. Poor management leading to problem for other residents in the vicinity of private rented homes is a factor in both. However, the purposes of each scheme differ and with additional licensing focusing on smaller HMOs to covered by the mandatory scheme and selective licensing being concerned with the impact of anti-social behaviour.

Additional licensing evidence

23. Additional licensing evidence focuses on the distribution of HMOs within the sector, and quality of management. Since 2006 the council has granted 530 licences under the mandatory scheme, there are currently 203 HMOs subject to a licence, and 156 Licences being renewed or applied for. (The difference in the figures for total licences granted and those currently in the system demonstrates the dynamic nature of the market and case law which removed a number of HMOs from the scheme). However, these larger HMO represent only a small proportion of the total. The house condition survey (2009) estimated that there were between 1,000 to 1,500 potentially licensable HMOs in Southwark. It is very difficult to give a precise figure for the total number of HMOs because different data sources define HMOs differently and a number of landlords will try and to hide the true nature of occupation. It is believed by extrapolating data from Experian Mosaic data, census 2011 and housing conditions survey 2009 that there are approximately 10,000 HMOs in Southwark.
24. Enforcement and regulation of HMOs is carried out under the Housing Act 2004, and is principally through the application of the Housing Health and Safety Rating System (HHSRS), or dealing with problems of poor management.
25. HHSRS identifies a range of potential hazards and ranks them by categories, the highest risk being classed as Category 1. Of the category 1 hazards identified in HMOs since 2009, the most common are: over-crowding and space, damp and mould growth and excess cold. The principle category 2 hazard is fire.
26. Figure 1 demonstrates how the council's regulatory activity with regard to HMOs has increased by 289% over the past 5 years. There has also been a 500%

increase in the number of HMO landlords the Council has had to prosecute over the same period.

Figure 1



27. The consultation responses also replicated the concerns about conditions, overcrowding and affordability. These results, other evidence examined, and the deterioration in the HMO sector anecdotally witnessed by officers over the past 10 years, demonstrate a range of problems in relation to anti-social behaviour, poor maintenance and conditions. These are widespread and relate to inadequate management of HMOs within the borough.
28. Appendix 3 details a small sample of documented case studies of poor conditions witnessed in HMO's. In summary, the evidence supports the introduction of Additional Licensing.
29. The business case for introducing additional licencing and selective licensing was made in the Council consultation papers and can be read on the Council's website at http://www.southwark.gov.uk/info/200529/lets_talk_rent.

Selective licensing evidence

30. Data from council data bases was used to map the concentration of the private rented sector, and data from the Metropolitan Police and the council was used to identify problems attributable to the sector, instances of criminal activity and anti-social behaviour. Analysis also drew upon the responses to the consultation set out in 42 and Appendix 4.
31. It should be stressed that the research does not set out to prove a causal link between incidents of anti-social behaviour and any particular property, landlord or tenant. Nor is it implied that all landlords or tenants are responsible for anti-social behaviour in an area or that licensing alone is the solution to these problems. The focus has been on collecting evidence that would demonstrate whether or not there is a correlation between levels of anti-social behaviour and related criminal activity and the relative incidence of the private rented sector in areas of Southwark. Primarily, whether this activity is significant and persistent.

32. The selective licensing evidence focused on:
- Noise nuisance service requests
 - Incidents of refuse and fly-tipping
 - Reports of street drinking
 - Reports of drug dealing
 - Poor management of dwellings
 - Reports of nuisance neighbours.
33. Examination of data from the community safety and enforcement division's records the police and other council services indicated that the areas with the highest incidence of anti-social behaviour are concentrated along the main thorough-fares and high streets of the borough. The evidence supports the view that some landlords are failing to take appropriate action to address anti-social behaviour, and that this impacts directly on tenants and the wider community.
34. Direct evidence from anti-social behaviour and crime related complaints and interventions, together with the views and examples provided through the consultation, demonstrate that the problems are persistent and are not being addressed effectively.
35. The consultation exercise supported the evidence in 34 above with a majority of respondents being in favour of the introduction of an area based selective licensing scheme that focused on the main thorough-fares and high streets of the borough.
36. Licensing is not proposed as the sole solution to problems of anti-social behaviour, but as part of a range of strategies and actions. Licensing is intended to assist as far as these problems occur in and affect the private rented sector in areas where particular problems have been identified. It will assist in tackling problems of overcrowding, poor management and maintenance, which in turn lead to issues related to noise nuisance, waste and refuse problems and if unresolved give rise to disputes and arguments. Licensing will operate in conjunction with the council's work with the Safer Southwark Partnership, other regulatory services and the police, as well as providing landlords with clear guidance on rights and responsibilities.
37. The evidence supports the implementation of selective licensing along the main thorough-fares and high streets documented in Appendix 1. However, the evidence for Selective Licensing did not currently support a ward based or borough-wide scheme.

Consideration of other courses of action

38. With regard to the issue of codes of practice for management standards, there are a number of initiatives and schemes available in Southwark such as: Landlord Forums, the Southwark Rental Standard and Southwark Landlord Accreditation scheme. In addition there are a number of national and regional accreditation schemes including the London landlord Accreditation Scheme which the Council actively promotes. The council also implemented Article 4 direction in one area of the Council to control the overdevelopment of HMOs which resulted in increases in anti social behaviour.

39. The council has to consider other courses of action available and this was carried out. Other courses of action include:
- doing nothing
 - expanding the accreditation schemes
 - expanding enforcement activities
 - offering advice and assistance.
40. The accreditation schemes enjoy a limited success as they are voluntary and attract compliant landlords; rogue landlords are unlikely to proactively participate in such schemes. Most Landlords seeking to become accredited are those that either lease or wish to lease their property to the council. This is because in order for the arrangement to be secured the council has stipulated that the dwelling and landlord must be in compliance with the Southwark rental standard. On reaching the standard and subject to “fit and proper” person checks the property will be accredited.
41. The issue with the other options is that there are so many more HMOs to be identified than resources available and other measures have been tried but have not adequately dealt with the identified problems. These measure include:
- Street surveys
 - Area based multi-disciplinary teams identifying environmental health regulatory issues including un-licensed HMOs
 - Using council data bases to identify HMO
 - All of these are resource intensive and place no responsibility on the landlord to come forward and advice the council that he/she is operating a HMO.

Consultation

42. Extensive public consultation was carried out between 29 September 2014 and 14 March 2015, on proposals to introduce additional licensing across the borough, and selective licensing in certain areas, principally along the main thoroughfares and high streets.
43. Over 1,000 responses to the consultation were received including from:
- private tenants and other residents
 - landlords and landlord representative groups
 - the home ownership council
 - tenants’ representative groups
 - Charities and further education establishments
 - letting agents and businesses.
44. In addition to the above, officers also attended a variety of different meetings and forums, and had face to face discussions with those interested parties who requested the opportunity.
45. Consultation was undertaken using a variety of methods that included:-
- An eform linked to the main consultation webpage
 - A prepaid response card for the community in general which was used at a variety of events below

- A prepaid response card for the residents in and around the selective licensing area which was posted out
 - A prepaid response card sent to addresses which were indicated by our data to be occupied by residents with a profile that matched those in private rented property
 - A prepaid response card for students which was distributed at local higher education establishments
 - Community meetings and events in Southwark, including community councils, area housing forums, street consultation events and focus groups for some minority groups
 - Landlord representative events, including Landlords Forum and the Landlords focus group, Southwark's Homeowners Forum for Leaseholders
 - Emails to a wide range of national regional and local stakeholders
 - Advertising in local publications, street adverts on buses and bus shelters and using electronic media
 - A dedicated email address for responses
 - Publicity on a landlord information website
 - Advertisements on various platforms.
46. Questionnaires and other exercises undertaken focussed on the licensing proposal and the extent and coverage of the scheme. Because the evidence strongly suggested an area based selective licensing scheme respondents were presented with 3 options:
- (1) for the council not to introduce selective licensing
 - (2) for the council to introduce selective licensing in discrete areas of the borough along the main thorough-fares and high streets
 - (3) for the council to introduce a slightly wider selective licensing scheme that focuses on the main thorough-fares and high streets and immediately adjacent roads.
47. The results of the consultation from tenants and residents showed strong support for both additional and selective licensing, choosing option C for selective Licensing, however, Landlords took the opposite view. Only a minority of Landlords supported additional licensing who shared concerns about the reputational damage caused by poor management and anti-social behaviour on the sector.
48. In addition to the above, more general questions were asked seeking respondents views on the private rented sector and what Southwark should do to try and improve it.
49. Full details of the consultation exercise and results are given in Appendix 4.
50. On considering the responses given, together analyses of additional evidence, it is proposed that the council proceeds with the introduction of additional licensing, which will cover all HMOs in the borough, as well as selective licensing in a number of designated areas, which will cover single family dwellings.

Representations raised

51. Landlords and landlord groups presented a number of points and suggestions, these included the need for better information, training and advice for both landlords and tenants, and to revise the scheme from being regulation to

compliance based. These were taken into account as it was felt that the scheme's objectives would be far better achieved by working with landlords rather than against them, providing advice, guidance and support. Licensing will be operated with the intention of addressing non compliance, by helping landlords meet the standards, improving the condition of properties by providing achievable plans, improving management and skills by mentoring and advice.

52. Another particular concern was raised over fees. Initially it was proposed the licence run for 3 years. Following representations, this was changed to one and five year licenses. The one year licenses would be issued to landlords, who have contravened the law, operate lettings that do not comply with the licence conditions, or refuse to take action on management issues when requested. The year licence would give the landlord the opportunity to comply. If the landlord fails to do so within the specified period then the council would refuse to provide a licence and enforcement action should result. This addresses one of the key objections that bad landlords should receive far more active regulatory attention than good landlords. The 5 year licences would be for compliant Landlords. (Any landlord that fails the "fit and proper person test", and/or has been prosecuted for housing related offences will be refused a licence).
53. These and other representations are covered in more detail in Appendix 4.

How the schemes will deliver to council strategies

54. The objectives of introducing both schemes are to ensure that the council is taking forward alternative preventative strategies to properly regulate private rented accommodation, in order to complement and support its wider strategy to regenerate and improve the borough, through driving up standards, protecting tenants and supporting landlords in compliance.
55. The housing strategy to 2043 was formally adopted by cabinet in January 2015. The strategy commits the council to improving standards within the private rented sector and to tackling poor conditions and the rogue and irresponsible landlords who place tenants at serious risk.
56. The housing strategy recognises the population growth has increased pressure on available housing, and that the increase in the private rented sector is a concern, particularly in relation to standards, overcrowding, children living in HMOs and the impact of rogue and irresponsible landlords.
57. The council's anti-social behaviour strategy 2011-15 and the current Borough Plan commits the council to a zero tolerance approach to anti-social behavior, and to reducing crime and the fear of crime. Licensing will greatly assist the council in improving waste arrangements and tidiness in HMOs through working with landlords and tenants. It will also raise living standards in the private rented by allowing officers to work more closely with landlords to improve the quality and overall management of their properties.
58. It is anticipated that improvements in this sector will lead to improved stability in the market, this in turn will have a positive impact on the overall accessibility of rented housing, and will assist in reducing homelessness and housing register applications from the sector, both of which are central aims of the Housing Strategy.

59. The Code of Guidance "Approval steps for additional and selective licensing designations in England" (CLG November 2006, revised February 2010) stipulates that there must be clear transparent outcomes set which can be easily measured. It is therefore proposed to measure the overall perception of problems within the area by sending questionnaires to a sample residents and landlords 2 years after the start of the scheme, and at the end of the project.
60. As well as this, the amount of anti social behaviour and criminality recorded in the area and relating directly to private rented sector tenants will be collected annually. Information in the selective licensing proposal evidence on anti-social behaviour and crime came from police analysts and will be used as a consistent measure of the impact of the project. Other figures have been used to indicate the levels of problems within the area and these will also be revisited during the course of the project.
61. In order to be clear and transparent it is proposed that performance is monitored not only by officers, but is also set out to the public through the council's website. In order to achieve this information will be provided on the number of licences approved, number applied for and numbers refused. The council will also provide periodically updates on changes in anti-social behaviour within the selective licensing area.

Objectives and anticipated outcomes

62. Additional and selective licensing are separate schemes run in tandem, with distinct but related aims. Neither scheme will operate in isolation and both are part of wider strategies to improve standards, conditions and tackle neighbourhood problems.
63. Improving physical standards and the quality of management in the sector will deliver wider social and health benefits. The links between poor housing and poor health, both physical and mental health are well established. Improved quality in all sectors will therefore have a positive impact on the demand for health services, on individual health and well being. It is also well understood that poor housing conditions and overcrowding have a negative impact on educational attainment. This in turn impacts on an individual's ability to reach their full potential. It is expected that licensing will assist the council and partners in achieving objectives in improving health, educational attainment and residents achieving their full potential.
64. The intention is that licensing will assist the local rental market through provision of clear standards through which landlords will operate on a level playing field and tenants will know what they should expect. Licensing will impose significant penalties on rogue and irresponsible landlords. Enforcement activity will be targeted at the worst properties and those landlords who breach licensing conditions. However a primary intention of the scheme is to support and encourage landlords who provide a good service and develop effective partnerships within the sector with emphasis being on compliance and not enforcement.
65. In the long term, licensing will contribute to improve conditions in the sector and a more stable and accessible rental market. In particular, licensing is expected to assist and encourage stable, long-term tenancies to the benefit of both landlords and tenants. It is also in the landlords' interest to invest in maintenance of the

properties they own to maintain or increase its re-sale value or to secure credit against it.

66. Improved stability in the market will also have a positive impact on the overall accessibility of rented housing and will assist in reducing homelessness and Housing Register applications from the sector. This is a central aim of the Housing Strategy.
67. It is recognised that the implementation of licensing may impact on the willingness of some landlords to let. However, this is not the experience of other Boroughs who have implemented additional licensing schemes. Compared with other Boroughs, Southwark's selective licensing scheme is small and potential impacts on less than 5,000 dwellings out of sector of 29,000 dwellings. It is desirable that the very worst landlords, who operate outside the law, should be discouraged. They will be the priority for action under both schemes. Such landlords are a minority and many issues are the result of ignorance or inexperience. Provision of incentives, advice and support is intended to encourage landlords to remain in the sector. However, the perspectives of the council's wider housing and related strategies, the health, safety and welfare of tenants and the overall stability of the market and a better quality sector is the desired outcome.
68. Landlords will be encouraged to seek advice and guidance from officers on compliance issues and large portfolio landlords will be assigned a case officer to ensure consistency and manage compliance programmes.
69. Registration and renewal will be on line and account based with payments collected on application. An off line system will be available at an extra cost to reflect additional admin resources required.
70. All properties will be inspected during the term of the licence. Properties will be prioritised for inspection based on risk.

License conditions

71. Authorities have discretion to set the precise conditions of the licence. These can include conditions relating to the use and occupation of the house, and measures to deal with anti-social behaviour of the actual tenants or those visiting the property. They also typically include conditions around the provision of basic amenities and basic standards regarding the physical condition of property.

Mandatory conditions

72. There are also certain mandatory conditions which must be included in a licence. For example, licensees are required to:
 - Present gas safety certificates annually to the council
 - Keep electrical appliances and furniture in a safe condition;
 - Keep smoke alarms in proper working order;
 - Give tenants a written statement of the terms of occupation; and
 - Demand references from prospective tenants.

Discretionary conditions

73. It is proposed to impose 5 discretionary conditions:

- (1) All licensees will have to comply with the Southwark Private Rental Standard which summarises the requirements of the various legislation and provides guidance for landlords.
- (2) All licencees of HMO's will have to comply with the borough's HMO standard, which covers space, safety and amenity requirements for this type of accommodation.
- (3) The licencees must take all reasonable and practical steps to reduce or prevent anti-social behaviour by persons occupying or visiting the house and the use of premises for illegal purposes.
- (4) All licencees will have to ensure that the permitted number of households and individual for the HMO is not exceeded. The permitted number will be calculated using the Council's HMO standards.
- (5) All HMOs will be compliant with the LACORS (Local Authorities Coordinators of Regulatory Services) Fire guidance.

Fees

74. When determining licensing fees, the Act states that the local authority may take into account all costs incurred by the authority in carrying out their functions relating to additional and selective licensing (s. 63(7) & 87(7) respectively).
75. The EU Directive and Provision of Service Regulations 2009, regulation 8 further states:-
 "Any changes provided for or by a competent authority which applicants may incur an authorisation scheme must be reasonable and proportionate to the cost of the procedure and formalities under the scheme and must not exceed the cost of those procedures and formalities."
76. The above has been clarified by the case of *Hemmings v London Borough of Westminster*. This landmark case sets out the basis upon which licensing fees can be charged. It also establishes what those fees can be used for. In summary the Supreme Court ruled that it is lawful for local authorities to use part of a licensing fee to fund regime enforcement.

Additional licensing fees

77. The proposed fee level is £250 per bedroom for HMOs up to ten bedrooms, plus £100 for each additional bedroom where the number exceeds ten, for the licensing period of five years. This fee will apply to all types of HMO licence including mandatory. There will be circumstances, as set out in paragraph 82, where a licence will only be issued for one year and the full fee applied. This will be limited to circumstances where there is a history of regulatory intervention due to the condition of the premises being of such a standard that it places the health safety and welfare of the tenants at risk.

78. The original proposal suggested a fee of £60 per bedroom per year, equating to £300 over 5 years per bedroom.
79. The revised fees were decided upon having regard to consultation responses by landlords, and equate to a reduction of £50 per bedroom over 5 years.

Selective licensing fees of single family dwellings

80. The licence fee applicable for this scheme will be a flat rate of £500, regardless of the length of the licence. In the original proposal the fee was £60 per bedroom per year for 5 years. A total of £300 for a one bed dwelling or £900 for a three bed dwelling. The flat rate of £500 will equate to a smaller fee in most single family dwellings.
81. A 20% discount will be offered for landlords who are accredited with a recognised accreditation scheme and for early completion of registration. The recommended period of time of 6 months from the date of when the scheme goes live. This discount will cover both schemes.
82. Any landlord who has a history of regulatory issues, or does not comply with the Act, so placing tenants' health, safety and welfare at serious risk, will be required to pay a full fee every year. It is anticipated that the Council will only have to take the one year licence approach in respect of 10 to 15 landlords with responsibility for 20 to 30 dwellings.
83. Once the landlord's property is in compliance the 1 year licence will be replaced with a 5 year licence. This measure will cover both schemes.
84. The licence fee for both schemes will cover the owner of that property for a period up to 5 years, however should ownership of the property be transferred within that period, a further licence fee would be payable by the new owner.
85. In deciding whether or not to grant a licence the Authority must consider whether the landlord (or the managing agent) is a 'fit and proper' person. This means the Authority must have regard to any previous convictions relating to violence, sexual offences, drugs or fraud; whether the proposed licence holder has contravened any laws relating to housing or landlord and tenant issues; and whether the person has been found guilty of unlawful discrimination practices.
86. The fees are payable on application, will also include the costs associated with carrying out the above check. As is the case with the granting of licences for HMOs, if the Authority determines that the landlord is not 'fit and proper', it can refuse to grant a licence, in these instances, the fee is non-refundable.
87. The Local Authority can also withdraw a licence after issue if the licensee is no longer considered a 'fit and proper' person.
88. If the Authority believes that a landlord has breached licence conditions they can issue a fine of up to £5,000 for each offence. Operating a property without a licence in a designated area can attract a fine of up to £20,000. In addition the act allows Authorities to step in and take over the management of property where conditions are being breached. These powers complement existing enforcement measures used by authorities such as the use of Improvement and Prohibition Notices.

The scheme

89. Details of Southwark's Additional and Selective Licencing Scheme are provided in Appendix 5.

Community impact statement

90. An equalities impact assessment is attached in Appendix 6. In general it is anticipated that additional Licensing will have a positive impact for all protected groups.
91. Data relating to the protected groups among both tenants and landlords is limited, partly due to the unregulated nature of the sector. Census data provides a breakdown of tenure by ethnicity and age. Overall, the size of the sector and the estimated number of landlords and tenants strongly suggests that there will be members of all protected groups owning or living within the private rented sector. The sector also contains a mix of household and income types that ranges across the income spectrum.
92. Tenants that will be most impacted by these proposals will be among the lower income groups within the sector, living in the poorest quality housing, placing their health, safety and welfare at risk. Similarly the landlords of these properties will experience the greatest impact as they will be required to improve dwellings to an acceptable standard. There maybe issues relating to people under 35 who are affected by the single room rate for Housing Benefit and are therefore more likely to be living in HMOs.
93. The main identified potential negative impact is the possibility that the introduction of licensing may lead some landlords, particularly those likely to struggle to comply with licensing conditions, to withdraw from the market and evict the tenants. It is not possible to assess this risk accurately, although experience elsewhere amongst other councils who have introduced similar or more far reaching schemes have not observed any significant change. Any impact of this nature from the Southwark schemes will be monitored closely using tenancy relations and environmental health databases and will inform regular reviews of the operation of licensing.
94. In the longer term, licensing will provide an opportunity to obtain a more complete picture of the sector and its operation that will assist in identifying relevant protected groups.

Resource implications

Financial issues

95. The administration of the scheme is such that it is intended to be self financing over a five year period. The fees that are being applied paragraphs 77 and 80 are set at a level where the revenue from the fee will cover the cost incurred.
96. The income will be closely monitored and a team proportionate to the demand for the service will be employed. The costs of the scheme exclude the cost of any enforcement action on non-licensed properties, but will cover the cost of processing the license application, compliance monitoring and enforcement against landlords who are non compliant with the licensing process.

Staffing issues

97. The private sector housing enforcement team is responsible for regulating the private rented sector. The team is responsible for the Mandatory Licensing Scheme. The team currently employs a team leader, 12 enforcement officers and a unit support officer. 2 further unit support officers are employed on fixed term contracts as the team prepares for discretionary licensing. If the predicted number of applications is received, approximately 10,000, then it will be necessary to employ additional unit support officers on fixed term contracts to deal with demand. In addition Licence Enforcement Officers will also need to be employed to ensure compliance and that rogue and irresponsible are subject to the regulatory process.
98. All staffing and other required activities to administer the licensing process, the costs of inspections, reporting on the subject property and any associated enforcement costs will be funded from the income generated by the licence fee.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Legal Services

99. The report recommends the implementation of an additional and selective licensing scheme for certain private rented dwellings in Southwark. As confirmed in the report, the Housing Act 2004 requires private rented houses in multiple occupation (HMO's) of a specified size to be licensed (mandatory licensing) and allows a local housing authority to extend licensing to smaller HMO's by designating an area or areas of their district or the whole of their district as subject to additional licensing. The Act also enables local housing authorities to extend licensing requirements to other private rented properties by designating for selective licensing an area or areas of their district or the whole of their district.
100. Licensing provisions do not apply to houses let by local housing authorities or registered social landlord.
101. The circumstances in which the council may designate areas as subject to additional and selective licensing are set out in the Act and are summarised in this report together with the evidence supporting the proposed designations.
102. The council may designate areas to be subject to additional licensing if it is satisfied that a significant proportion of HMO's relating to a description of HMO's to be specified in the designation are being managed sufficiently ineffectively as to give rise to one or more particular problems either for those occupying or for members of the public. When considering an additional licensing scheme, the council must also be satisfied the designation will significantly assist with dealing with the problems.
103. For selective licensing, the council may designate areas as subject to licensing, if it is satisfied that the areas are impacted by one of a number of conditions set out in legislation; one of the conditions is that the areas are experiencing significant problems with anti-social behaviour (ASB). This is the condition relied on for the purpose of the scheme proposed in this report.

104. When considering a selective licensing scheme on the basis of ASB, the council must also be satisfied that there is a link between the ASB and private rented accommodation in the area. It must be satisfied:
 - (i) the area(s) is/are experiencing a significant and persistent problem caused by ASB
 - (ii) some or all of the landlords letting in the area are failing to take reasonable action to combat the problem
 - (iii) when combined with other measures taken in the area by the local housing authority or by other persons, making designations will lead, to a reduction in or elimination of the problems identified
 - (iv) the scheme will significantly assist with achieving objectives.
105. For both additional and selective licensing schemes the council must also be satisfied before making designations that;
 - (i) the proposed designations are consistent with the overall housing strategy,
 - (ii) a co-ordinated approach is adopted in dealing with homelessness, empty properties and ASB,
 - (iii) alternative courses of action have been considered.
106. The law specifies conditions which a licence must contain but otherwise a licence may include such conditions for regulating management use or occupation of the house as the council feels appropriate.
107. The council may set an application fee. Such fee must be reasonable and proportionate and should not exceed the anticipated cost to the council of running and enforcing the licensing scheme.
108. The council may invoke enforcement processes against those controlling or managing a property with out a license or failing to comply with license conditions.
109. Designation of areas subject to additional and selective licensing require approval from the Secretary of State. The Secretary of State has issued a general approval, dated 30th March 2010, which the council would seek to rely on.
110. The Act requires the local housing authority to carry out consultation before making a designation. Before making the designation the local housing authority must, (a) take reasonable steps to consult person who are likely to be affected by the designation; and (b) consider any representations made in accordance with the consultation and not withdrawn. DCLG guidance suggests that this consultation should include local residents, for example, tenants, landlords and managing agents, other members of the community who live or operate businesses or services in the proposed designated area and local residents and businesses in the surrounding area who will be affected. Case law indicates that those affected outside the council's area should also be consulted. A minimum consultation period of 10 weeks is required under the general consent issued by the Secretary of State in March 2010. The report sets out the consultation that has taken place, the outcome and consideration given.
111. When considering the recommendations of this report, due regard must be given to the public sector equality duty in section 149 of the Equality Act 2010. This requires the council to consider all individuals when carrying out its functions.

Specifically, to have due regard to the need to eliminate discrimination, harassment, victimisation or other prohibited conduct; advance equality of opportunity and foster good relations between people with protected characteristics and those who do not. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. The PSED also applies to marriage and civil partnership, but only in relation to the need to eliminate discrimination, harassment, victimisation or other prohibited conduct. Cabinet members are referred to the community impact statement in the report.

112. Designations can last for no more than 5 years from the date on which it comes into force. The council must review the designation from time to time and if appropriate the designation may be revoked.
113. Designations, once made must be publicised by the council within 7 days and notice provided within 2 weeks to interested parties, in accordance with the specifications set out in regulations. Once the notice has been published the council must make copies of the designation and any prescribed information available to the public.

Strategic Director of Finance and Corporate Services (ref FC15/010)

114. The council can set the level of the fee (following consultation the Government decided not to cap the fees which can be charged for licensing) however, the council is expected to set a fee which is directly related to the actual cost of licensing a property. Fees should be 'transparent' and should cover the actual cost of the scheme's administration. The fees that are being applied as per paragraphs 77 and 80 are set at a level where the revenue from the fee will cover the cost incurred.
115. A team proportionate to the demand for the service will be employed to manage the process. The costs of the scheme will exclude the cost of any enforcement action on non-licensed properties, but will include the cost of processing the license application, compliance monitoring and enforcement against landlords who are non compliant with the licensing process.
116. The explanatory memorandum to the Licensing and Management of Houses in Multiple Occupation and Other Houses (Miscellaneous Provisions (England) Regulations 2006 states that, once the scheme has been set up, it should be self financing. Running costs of licensing schemes including costs of further training and development and enforcement costs will be covered by the licence fees.
117. The Regulatory Impact Assessment on selective licensing made it clear that authorities could not use fee income to raise additional revenue.
118. Initial estimates suggest a figure of £5m over years (an average of £1m per annum). The appropriate budgets will be set for the scheme during the 2016/17 budget planning process. These will be monitored on a regular basis as part of the departmental revenue monitoring process.

BACKGROUND DOCUMENTS

No.	Title
None	

APPENDICES

No.	Title
Appendices circulated separately as follows:	
Appendix 1	Map showing boundary of the area of the Selective Licensing Scheme
Appendix 2	Address of those dwellings within the Selective Licensing Area
Appendix 3	Case Studies
Appendix 4	Consultation Results, Analysis and Comment
Appendix 5	The Additional and Selective Licensing Schemes
Appendix 6	Equality Impact Assessment

AUDIT TRAIL

Cabinet Member	Councillor Richard Livingstone, Housing		
Lead Officer	Deborah Collins, Strategic Director Environment and Leisure		
Report Author	David Littleton, Environmental Health and Trading Standards Manager		
Version	Final		
Dated	6 July 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 of Finance and Corporate Services	Yes	Yes	
Housing Policy	Yes	Yes	
Cabinet Member	Yes	Yes	
Date final report sent to Constitutional Team		9 July 2015	

Item No. 16.	Classification: Open	Date: 21 July 2015	Meeting Name: Cabinet
Report title:		Standards for Houses in Multiple Occupation	
Ward(s) or groups affected:		All wards	
Cabinet Member:		Councillor Richard Livingstone, Housing	

FOREWORD – COUNCILLOR RICHARD LIVINGSTONE, CABINET MEMBER FOR HOUSING

The previous report on this agenda set out proposals for introducing new selective licensing powers for homes in the private rented sector and additional licensing arrangements for Houses in Multiple Occupancy that are currently beyond the council's licensing duties. This report considers the steps the council should take to update its standards in relation to Houses in Multiple Occupation (HMOs) that it already regulates to make them fit for purpose. This is necessary because of the changes to the nature of HMOs in the borough since the Housing Act 2004.

The proposed changes in standards will enable the council to improve conditions and protect vulnerable tenants. This has become particularly important with the increased numbers of children living in HMOs in Southwark, and because housing pressures have led to greater degrees of overcrowding in HMOs. These changes also introduce a broader range of criteria for different types of HMO to ensure that appropriate standards are established rather than the current less flexible approach.

RECOMMENDATIONS

1. That the cabinet agrees to adopt the revised standards for HMO's as set out in Appendix 1 of this report.
2. That the strategic director of environment and leisure be given delegated authority to make further amendments to the standards as may be found necessary without reducing the standard in any way.

BACKGROUND INFORMATION

3. The term "house in multiple occupation" (HMO) is defined by section 254 of the Housing Act 2004, which states that a HMO is a property which is occupied by 3 or more unrelated people in 2 or more households. It is a very wide definition and covers bedsits, shared houses, flatlets and hostels.
4. HMOs house many lower income households, vulnerable adults and families with children. Traditionally, the most disenfranchised sectors of the community are accommodated within this sector. Whilst it is accepted that HMOs fulfil a need within the private rented sector, it is imperative that prescribed standards are fit for purpose, reflect the current housing environment and work to ensure the health, safety and welfare of the occupiers.

5. The Housing Act 2004 gives the council powers to deal with poor living conditions within such premises including the licensing of certain types of HMO. It is estimated that there are at least 10,000 HMOs in the borough (sources include 2011 Census and data from Experian Mosaic). When the existing standards were written in 1989 the number was estimated at 2500. In the last 5 years the team received 5216 complaints regarding housing conditions, the majority of which were regarding conditions in HMOs. The revised standards allow take into account the changes in the housing landscape, will assist responsible landlords to comply, reduce council intervention and support the robust enforcement of rogue landlords.
6. There are no defined national standards for room sizes within HMOs, and it is for each council to set their own standards (regardless of whether the HMO is licensable). The current HMO standards (see background documents) were formally adopted by Southwark Council in 1990 under the Housing Act 1990, prior to the introduction of the housing health and safety rating system (HHSRS). HHSRS is a risk-based evaluation tool to help local authorities identify and protect against potential risks and hazards to health and safety from deficiencies identified in dwellings and was brought in under the Housing Act 2004. The system is used to raise standards in the private sector by requiring owners to take action as necessary to remove or minimise hazards identified within their properties.
7. Although the existing standards were updated when the Housing Act 2004 came into force, they do not reflect the evolution of new styles of HMO now common place within Southwark. The proposed revisions will enable the team to raise standards in today's changing private rented sector housing market, and protect vulnerable tenants. For example, when the existing standards were written it was rare to find children living in bedsit type HMOs, now it is more common place. Additionally, due to the lack of affordable housing in London, it is not unusual to find severe levels of overcrowding, with landlords maximising their incomes at the expense of tenants who accept poor standards out of necessity.
8. Appendix 2 provides a table detailing the proposed changes from the old standards to the new standards.

KEY ISSUES FOR CONSIDERATION

9. The current standards are complex and cumbersome, and responsible landlords do not always understand what parts apply to their particular premises, and so rely on officers to interpret them in seeking compliance. This is resource heavy and detracts from officers dealing with rogue landlord who deliberately avoid compliance.
10. Appendix 1 contains the proposed revised standards. The document is intended to be read by owners and managers of HMO's, tenants, and enforcement officers. References to documents and legislation, that influenced them have also been included within the document,
11. The revised standards are more concise and appropriately arranged, affording easier access to the information for landlords and tenants alike. They are more flexible, and are more reflective of the current HMO landscape, allowing for the variation of risk between individual properties and occupation styles. For example, standards have been introduced which allow for the different levels of

risk found in houses with shared living space compared to those that do not, and also include standards for HMOs occupied by families with children.

12. The revised standards are designed to ensure that those reliant on HMO accommodation (often society's most vulnerable) are protected. Further they were devised having regard for research and analysis on the impacts on overcrowding and design standards for living, and also on statistical information regarding risks and hazards in different types of occupation. Barnardos were also consulted to shape the standards as they apply to families with children.
13. If the revised standards changes are agreed, they will be adopted and published on the council's website, together with the hyperlinks to all referenced supporting documents.

Policy implications

Southwark's Housing Strategy to 2043

14. The new long-term housing strategy for the borough was agreed by cabinet on 27 January 2014. It contains a vision for the future of housing in the borough, which consists of four principles:
 - Principle 1: We will use every tool at our disposal to increase the supply of all kinds of homes across Southwark
 - Principle 2: We will demand the highest standards of quality, making Southwark a place where you will not know whether you are visiting homes in private, housing association or council ownership
 - Principle 3: We will support and encourage all residents to take pride and responsibility in their homes and local area
 - Principle 4: We will help vulnerable individuals and families to meet their housing needs and live as independently as possible.
15. Principle 2 of the strategy makes a number of specific references to improving conditions in the private rented sector, and includes a specific commitment to 'introducing an improved HMO standard to protect the health and safety of our residents'.
16. The revised standards support Southwark's additional and selective licensing scheme.

Community impact statement

17. As well as driving up standards, the revised standards are more robust and will be easier to enforce via the Housing Act 2004 legislation. This in turn will have a positive impact on the wider community, as it is recognised that an increase in decent homes is linked to improved communities, reducing crime and educational attainment.

Equality analysis

18. Poor housing has been identified as a health inequality, which adversely impacts

on the health of vulnerable groups, and it is accepted that the ability to live in appropriate housing is key to other aspects of wellbeing. HMOs house many lower income households, vulnerable adults and families with children. Traditionally, the most disenfranchised sectors of the community are accommodated within this sector. The proposed new standards seek to improve the quality of accommodation for occupiers of HMOs, reduce the impact on the wider community and make our expectations and enforcement of the conditions in HMOs clear and transparent. The Equalities Impact Assessment is provided in Appendix 4.

19. As is the case now, the enforcement of overcrowding provisions may lead to a re-housing liability for the council. However, the inclusion of a new reduced standard that takes into account the communal areas within a house, will reduce the number of existing HMOs that do not meet the councils standards, but do in fact accommodate the occupiers sufficiently. The flexibility built into the standard also allows for minor reductions in the standard for individual properties where, under HHSRS, the risk is deemed to be lower than average

Resource implications

20. There are no resources or financial implications. This standard form part of the council existing regulatory offer.

Consultation

21. Lacors Guidance: recommends “councils might consider agreeing similar standards for room sizes in their sub-region, to assist landlords with property portfolios in adjoining areas and aid consistency. Landlords and tenants should be consulted on the standards, following which they should be formally adopted.” “Local Planning Authorities will have adopted relevant space and amenity standards for new developments of residential accommodation through local development frameworks. These will often be of a higher, aspirational standard than a minimum space standard which may be applied to existing premises subject to regulation under the HA 2004. Councils must ensure that local consultation takes place with planning colleagues before agreeing space standards for HMOs.

Consultation was undertaken using a variety of methods that included:

- An eform linked to the main consultation webpage
- A prepaid response card for the community in general which was used at a variety of events below
- A prepaid response card for the residents in and around the selective licensing area which was posted out
- A prepaid response card sent to addresses which were indicated by our data to be occupied by residents with a profile that matched those in private rented property
- A prepaid response card for students which was distributed at local higher education establishments
- Community meetings and events in Southwark, including community councils, area housing forums, street consultation events and focus groups for some minority groups
- Landlord representative events, including Landlords Forum and the Landlords focus group, Southwark’s Homeowners Forum for Leaseholders

- Emails to a wide range of national regional and local stakeholders
 - Advertising in local publications, street adverts on buses and bus shelters and using electronic media
 - A dedicated email address for responses
 - Publicity on a landlord information website
 - Advertisements on various platforms.
22. Few responses in relation to the proposed HMO standards were received. However, there were no major concerns raised. On the basis of responses received the standards were amended to simplify their application
23. Benchmarking HMO Standards against other London Authorities (Appendix 3) - There are a wide variety of standards applied throughout London. Southwark's standard for shared houses with communal living rooms is higher than those in the south east area but is more in line with inner and north London authorities. The borough has more in common with other inner London authorities, i.e. density and demographics than boroughs such as Bromley for example.
24. Southwark's current standard have undergone rigorous scrutiny at Residential Property Tribunal (RPT). These have been successfully defended. The new standards are easier to follow and represent a relaxation compared with the old standards. These have been scrutinised by the RPT and accepted. Where comments by the RPT have been made, they have been included in the new standard.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Head of Procurement

25. N/a

Director of Legal Services

26. The legal minimum standards for Houses in Multiple Occupation (HMOs) are prescribed in regulations under the Housing Act 2004. These relate to provision of kitchens, bathrooms, toilets, fire safety and heating within HMOs. Under Section 65 of the Housing Act 2004, more detailed local HMO standards can be set to reflect local housing conditions, provided they do not fall below the national standards.

Strategic Director of Finance and Corporate Services

27. There are no financial implications.

Director of Planning

28. Change of use from conventional dwelling houses (planning Use Class C3) to homes in multiple occupation (HMOs) (planning Use Class C4) is permitted development where the HMO is shared by six or fewer people. The council's proposed HMO standards are suitable for all HMOs that are not subject to the planning permission or the planning enforcement process. Where an HMO would be shared by more than six people planning permission is required. From 1 November 2015 planning permission for larger HMOs (not covered by a certificate of lawfulness) will only be granted where the HMO meets the national "Technical

Housing Standards – Nationally Described Space Standards” unless there are material considerations that indicate otherwise. This planning permission needs to be granted before such a HMO before it can be given a licence.

29. On 27 October 2014 the council confirmed the Article 4 Direction to withdraw permitted development rights granted by Schedule 2, Part 3, Class I of the Town and Country Planning (General Permitted Development) Order 1995 (as amended) which allows a change of use from a dwelling-house (use class C3) to a house in multiple occupation (use class C4) and vice versa on Henshaw Street, Walworth, SE17, London. Where permitted development has been withdrawn smaller HMOs will also be required to meet the “Technical Housing Standards – Nationally Described Space Standards” before a licence will be granted. The council will continue to monitor the proliferation of smaller HMOs and may confirm further Article 4 Directions where evidence demonstrates a need to manage the proliferation of HMOs in a specific area.”

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
The Existing HMO Standards	Environment and Leisure Departments, Environmental Health and Trading Standards Southwark Council 160 Tooley Street SE1 2QH	Emma Trott 0207 525 5773
http://www.southwark.gov.uk/downloads/download/2951/standards_for_houses_in_multiple_occupation_hmo		

APPENDICES

No.	Title
Appendices circulated separately as follows:	
Appendix 1	The New Draft HMO Standards
Appendix 2	Summary of changes in table format
Appendix 3	Benchmarking against other LA's across London
Appendix 4	Equalities Impact Assessment

AUDIT TRAIL

Cabinet Member	Councillor Richard Livingstone, Housing		
Lead Officer	Deborah Collins, Strategic Director Environment and Leisure		
Report Author	David Littleton, Environmental Health and Trading Standards Manager		
Version	Final		
Dated	9 July 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 of Finance and Corporate Services	Yes	Yes	
Director of Planning	Yes	Yes	
Cabinet Member	Yes	Yes	
Date final report sent to Constitutional Team			9 July 2015

Item No. 17.	Classification: Open	Date: 21 July 2015	Meeting Name: Cabinet
Report title:		Quarterly Capital Monitoring Outturn Report for 2014/15 and Capital Programme Refresh for 2014/15-2023/24	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Fiona Colley, Finance, Modernisation and Performance	

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

The 2014-15 outturn capital monitor provides, as usual, an update and progress report on the delivery of our £2 billion 10 year capital programme. Within the financial year we invested £78m into our general fund assets and £168m into council housing. The general fund investment included rebuilding and expanding schools, upgrading IT infrastructure and council premises and investing in our parks, highways, libraries and leisure centres. The principle elements of the council housing investment programme are our Warm, Dry and Safe works, fire safety measures and upgrades of T&RA Halls.

2015-16 will see the establishment of a new stream of funding for capital projects – the Southwark Community Infrastructure Levy. The report sets out the process by which the council will identify suitable projects to fund with the strategic and local elements of this new income stream.

Within the report you will also find an update from each department covering their projects and details of virements and variations to the programme.

RECOMMENDATIONS

That cabinet:

1. Notes the outturn position for 2014/15 for the general fund capital programme including the overall position of the programme for the period 2014/15 to 2023/24 as detailed in appendix A and D.
2. Notes the outturn position for 2014/15 for the housing investment programme, including the overall position of the programme for the period 2014/15 to 2023/24, as detailed in Appendix B.
3. Approves the virements and funded variations to the general fund and housing investment capital programme as detailed in Appendix C.
4. Approves the re-profiling of budgets in line with the forecast expenditure and resources in the new financial year 2015/16 and future years in light of the 2014/15 outturn position for both the general fund and housing investment programmes as reflected in Appendices A, B and D and note further re-profiling will be required during 2015/16 based on more up to date information available at that time.

5. Agree the process for identifying projects for which Community Infrastructure Levy (CIL) may be used as all or partial funding as detailed in paragraphs 106-118.

BACKGROUND INFORMATION

6. On 22 July 2014, the 2013/14 capital outturn report was presented to the cabinet. This reported the capital outturn position at the end of 2013/14 and approved the council's capital programme up to 2023/24. At that time, the total value of the general fund programme stood at £509.8m and the housing investment programme stood at £1,075.8m
7. On 25 March 2015, council assembly agreed the recommendations of the 10 February 2015 cabinet for a refreshed general fund capital programme for the period 2014/15 to 2023/24 of £585.6m and the housing investment programme for the period 2014/15 to 2021/22 of £1,538.4m.
8. The scale of the capital programme is immense and with a total forecast spend of over £2billion; 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. 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.
10. This report sets out the outturn position for 2014/15 for the General Fund and the Housing Investment Programme (HIP).

KEY ISSUES FOR CONSIDERATION

2014/15 Outturn Position

11. The table below shows the 2014/15 outturn for the General Fund and the Housing Investment Programme against the budgeted expenditure. There was a variation of £7.2m against the General Fund programme and a variation of £8.3m on the Housing Investment Programme. These variations are largely explained by the re-profiling of budgets across a range of several schemes on departmental programme activities as a result of the complexities of procuring contracts and works across a programme of this magnitude and the practicalities of contract management and monitoring.

Department	2014/15 Budget £m	2014/15 Outturn £m	2014/15 Variance £m
Children's and Adults Care Services	17,733	18,259	526
Southwark Schools for the Future	4,609	4,584	-25
Finance and Corporate Services	8,577	8,205	-372
Environment	24,037	22,252	-1,785
Housing General Fund	2,260	1,975	-285
Chief Executive	27,805	22,498	-5,307
Total General Fund	85,021	77,773	-7,248
Housing Investment Programme	176,925	168,597	-8,328

12. The total General Fund departmental expenditure for 2014/15 was 77.7m against a revised budget of £85m and this final outturn is higher than the 2013/14 outturn figure of £63.4m
13. The variation of expenditure to budget in 2013/14 was 36% and this has reduced significantly to 8.5% in 2014/15 as a result of robust monitoring and improved profiling of budgets during the year on the expected expenditure for 2014/15 compared to the previous year.
14. The total Housing Investment Programme expenditure for 2014/15 was £168.6m against a budget of £176.9m and this is a 42% increase in the expenditure figure of £118.1m for 2013/14. The variation of expenditure to budget in 2013/14 was 6% and this has reduced slightly to just over 4% in 2014/15. This illustrates the increased and accelerated investments being made on the Warm, Dry and Safe programmes within the Housing Investment Capital Programme and the benefits of accurate programming and profiling of budgets being achieved despite the increased spend.

GENERAL FUND (APPENDIX A)

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

Children's and Adults' Services

16. In summary, the capital programme across Children's and Adults Services for the period 2014/15 to 2023/24 is £154.5m which includes funded variation of £200,000 at quarter 4 as reflected in Appendix C. The annual budget for 2014/15 was £17.7m and the final expenditure incurred was £18.2m, resulting in an overall unfavourable variance of £500,000 which will be re-profiled against the budget for future years.

Children's Services

17. The revised capital programme for 2014/15 to 2023/24 is £134.6m. The annual budget for 2014/15 is £17.1m. The final expenditure incurred for 2014/15 was £17.8m resulting in an unfavourable variance of £700k which is mainly due to the budget profiling issue on Southwark Park Primary school where some of the milestones were achieved ahead of the project schedule. In light of the outturn position for 2014/15, the budgets for future years will be reviewed and re-profiled in line with the projected expenditure for 2015/16 and following years.
18. The main areas of expenditure for 2014/15 have been:
 - £4.2m for Southwark Park Primary School new build school completed 2014/15;
 - £5.2m on the major permanent expansion at Lyndhurst and Bessemer Grange and Dulwich Wood Schools which are due to complete 2015/16;
 - £1.2m for September 2014 temporary expansions at Albion, Grange, Ivydale, Keyworth, St James; and St Mary Magdalene;
 - £3.6m advanced services for the 2014-16 permanent expansion programme; and
 - £3.6m for schools maintenance, free healthy school meals (FHSM), low carbon schools and youth centre refurbishments.
19. Some of the budgets within the departmental capital programme have been re-profiled in line with revised expenditure projections and will require further updating during 2015/16 based on more up to date information.

Adults' Services

20. The capital programme for the period 2014/15 to 2023/24 is £19.9m. The annual budget for 2014/15 is £600k and the final expenditure incurred for 2013/14 was £500k resulting in a favourable variance of £100k which will be re-profiled to 2015/16. The main works in 2014/15 included major refurbishments at Orient Street and Brandon Trust properties and the expansion of the Telecare service. The favourable variance is due to re-profiling of works at some Brandon Trust properties.

Southwark Schools for the Future

21. The capital programme for the period 2014/15 to 2023/24 is £42.9m and the revised annual budget for 2014/15 was £4.6 with the total expenditure for 2014/15 was also £4.6m.
22. The largest area of spend totalling £2.0m in 2014/15 was incurred on the completed schools at Ark All Saints Academy site. This was previously known as St Michael's and All Angels and incorporates the new Highshore Special School. Other significant spend incurred was on schools ICT of £1.4m and the £800k refresh of the site for the new University Engineering Academy South Bank which opened in September 2014.

Finance and Corporate Services

23. The capital programme of this department focuses on two key areas: Information technology infrastructure projects and premises-related improvements to council buildings. The total departmental capital programme stands at £63.2m.
24. The total spend for the department in 2014/15 is £8.2m against a budget of £8.6m. This compares to forecast spend of £8.5m as at the end of quarter 3 against a budget of £8.6m. The main variances are due to the re-profiling of expenditure required in corporate facilities management for the capital works relating to the ten year programme of preventative and planned maintenance and renewal to the building fabric and services for 362 buildings.
25. There is also a ten year programme that covers the improvement and replacement of IT infrastructure and networking in order to ensure the reliability and availability of key systems and to minimise disruption where components fail. There were some variances in project expenditure against the initial budget in some areas but these budgets will re-profiled in line with projected expenditure across the years and all projects are expected to be delivered within the overall budget.

Environment & Leisure

Summary

26. The total value of the departmental capital programme for the period 2014/15 to 2023/24 is £150m. The latest capital outturn for 2014/15 is £22.3m against the final budget of £24m, giving a favourable variance of £1.8m which has been re-profiled to future years.
27. The forecasts of all projects in the departmental capital programme for 2015/16 and future years were reviewed for their robustness and their budgets were re-profiled, as appropriate.
28. The progress of major schemes are outlined below.

Public Realm

Council funded projects

29. The Non Principal road programme is £2.3m over budget due to increased capacity in the delivery team and changes in the construction specification to meet higher performance requirements for footways and carriageways. The programme will be adjusted in 2015/16 to allow for these budget pressures in order to deliver the programme within budget for its agreed three year programme 2015-17.
30. The Cleaner Greener Safer (CGS) programme spent 105% of the revised Q3 forecast mainly due to improved resources, delivering 211 projects and making up some of the backlog on CGS programme spend.
31. The Principal Road lighting programme for 2014/15 of £549,000 is now completed at a cost of £554,000 with over 400 lanterns replaced with energy

efficient LEDs. Energy savings are in excess of 65% of previous load.

32. The new Cycling Strategy is now to be adopted in June 2015. Therefore, most of the expenditure on cycling infrastructure fund will not be incurred until 2015/16.
33. The implementation of the cemetery strategy continues to create further burial spaces and make associated infrastructure improvements. The cemetery burial strategy spend forecast was reduced from £1.1m to £464,000 as a result of longer than planned community engagement on the new burial areas. Only 77% of the revised budget was spent, due to minor delays with the lodge refurbishment works and with the installation of temporary toilets at Camberwell Old Cemetery. Signage, pathways and preparatory works have not been progressed this year because all non essential works were put on hold to review the programme budget. Major expenditure is expected next year with the completion of the lodge refurbishment works, replacement of cremators and the implementation of works at Area D1.
34. The parks programme has been subject to a comprehensive review which identified the need for tighter project and programme management. The recommendations of the review are being implemented.
35. Significant progress was made on the Burgess Park project (phase 3), with BBQ area improvements, CCTV installation and play area improvements. The masterplan review was started and largely completed and included a large scale and successful community engagement exercise. The masterplan review will shape a large part of the next phase of investment in the park. The 'Southern Entrance' project was also progressed. This project is linked to the acquisition of land at the top of New Church Road and will see a transformation of this area of the park. Designs for the additional toilet provision that was so needed in the park have been progressed and planning permission was granted for the Chumleigh Gardens toilets. An extra £100,000 was secured to tackle the drainage issues in the park through successful negotiations with the designers of the drainage scheme.
36. The Parks Infrastructure and Investment improvements have included urgent health and safety works such as lighting improvements, wall repairs and drainage work. Funding from this stream has been used to continue the work to develop plans for the central area of Southwark Park. Planning permission for new tennis courts at Southwark Park was granted.
37. There is a proposed allocation of £1m from the Parks Infrastructure and Investment project to the wider Peckham Rye revitalisation project to realise the fairer future promise to deliver a new play area. Therefore, a budget virement of £1m is requested from E&L department to the Chief Executive department. Details of the required budget adjustments on this scheme are reflected in Appendix C for cabinet approval.
38. Construction began on the Mint Street (greening, removing dead end roads) and Pasley Park (new entrance, planting) projects and these schemes are progressing well.
39. Progress has been made on a number of other capital projects with budgets that are held elsewhere in the Council such as the Elephant and Castle Parks Programme (completion of St Mary's Churchyard Phase 1 play area project) and

the delivery of Pullens Park consultation and designs. In addition, an extensive consultation has taken place to develop plans for Nelsons Square (this is funded by S106 held by the Regeneration team).

40. The renewal of the South Dock Marina toilets and showers were completed during this quarter. This year has seen the completion of new decking and electrics throughout the marina. Next year, we will continue with the health and safety works which will include the complete refurbishment of the lock gates, dams and dock walls.

Externally funded projects

41. Pothole Repair Fund – The Council was successful in securing £260k from the Pothole Fund created by central government to repair damage to the local road network. In accordance with the government criteria, the funding was allocated to the resurfacing of twelve roads within the Borough. The programmed works complement the capital funded Non Principal Road resurfacing programme and are all now completed. Details have been published in the website in accordance with the grant conditions
42. The Herne Hill Flood Alleviation Scheme was completed in February 2015. It protects over 200 properties from surface water flooding and another 80 from sewer flooding. This partnership scheme was led by Southwark Council in collaboration with Thames Water Utilities Ltd (TWUL) and supported by the Environment Agency (EA). The scheme's capital cost was £3.2m with £1.2m contribution from the Environment Agency (EA) and £2m contribution from TWUL. In addition, the Environment Agency will provide £300k to the council as a commuted sum to be set aside for the future maintenance of the infrastructure. The project has been awarded national recognition for its approach to partnership working and is shortlisted for a national award.

Culture, Libraries, Learning & Leisure

43. The £600,000 refurbishment of Peckham Library commenced with scaffolding in place and lift cars under construction.
44. Work to bring Southwark Athletics Centre back into use has commenced following the selection of a contractor in October 2014. The remains of the old, unusable track have been removed and most of the planning conditions have now been implemented. The budgets have been re-profiled to reflect the phased implementation of the project.
45. A phased approach is being taken to investing £2.3m in Peckham Pulse. Works were undertaken during the year including repairs and re-painting in the pool hall where a new air handling unit was also being installed. These works were completed in May 2015.
46. Seven Islands pool pipe and filter valves replacement works have been delayed due to the discovery of asbestos and will now be completed in the first quarter of 2015/16. External painting and repairs to the brick work have been completed and the toilets and dance studio were refurbished during the last quarter.
47. The Thomas Calton Centre refurbishment project is now underway. Drawings for the manufacture of the windows have been signed off and scaffolding has been

erected around the relevant parts of the building. Window sill cleaning is underway and the new windows were delivered in May 2015. First flat roof is being prepared for repair and the stones have been swept over ready for felt to be laid. Roof repairs are planned to be completed in June 2015. The refurbishment contractor has estimated project completion to be August 2015.

48. Thomas Calton Centre ICT project has started. Total re-cabling of the old student network has completed. WIFI is now available throughout the building – in halls and classrooms. Survey has been completed for the decommissioning of the existing kit – including all student network PCs, printers and an old server. Capita are working on the building of the new network machines.

Community Safety & Enforcement

49. Following the 2010 strategy for the future development of the borough's CCTV, the Council has to date, invested £1.9m to improve the CCTV coverage in the borough. Successful outcomes include upgrading the CCTV control room from analogue to a digital system, improving the quality of recordings and the speed of recovering viral footage; a comprehensive network refresh programme that has improved our existing cameras on housing estates and the transmission capability in the borough as well as investments in 41 re-deployable (rapid response) cameras which are used in areas affected by crime and anti social behaviour.
50. In total there are now 309 cameras across the public realm and housing estates and there has been a 16% increase in the number of arrests from crime recordings in 2014/15 compared to 2013/14. The programme has so far been delivered on budget.

Housing Renewal

51. The area renewal programme is now reaching its end and will focus on progressing the Brayards Road Improvement Zone group repair scheme. The project will provide health and safety repair works and environmental improvements to a maximum of 81 street properties of mixed tenures. Following the tender process, contractors have been selected and are currently awaiting formal appointment. The works are expected to start on site in May 2015 with completion in October 2015 (works are expected to last 26 weeks).
52. There is a favourable budget variance on Disabled Facilities Grants (DFG) budget due to lower than target completions in the year. There were 75 DFG completions (94% of annual target). There are a number of cases which are effectively complete but yet to be closed and have therefore been excluded from the 2014/15 figures.

Environmental Services

53. The installation of a photovoltaic array on the roof of the Old Kent Road integrated waste facility was completed in March 2015 ahead of schedule, and the array is now successfully generating electricity. This renewable generation project was delivered at an initial investment cost of £793,000 of which £181,000 came from the department's annual carbon reduction fund of £250,000. The array is expected to generate a projected 659,000 kWh of electricity per year, initially producing £87,000 per year for the Council through Government

subsidies and recharging Veolia for the electricity they use. This will rise to £161,000 later in the lifetime of the array. The projected payback period for the initial investment is 9 years. It will also contribute to projected carbon savings of 346 tCO₂ per annum.

54. Elsewhere in the operational stock, a further £39,000 was invested from the department's carbon reduction budget during 2014/15 into improving pipework insulation across 21 council sites. This programme is now complete and will deliver projected gas consumption savings of 7.5% at each affected site. This adds up to a projected combined carbon reduction of 65t CO₂ per annum or in financial terms combined bill savings of £10.5k per annum.

Chief Executive's Department

55. The Chief Executive's department consists of six main project areas, namely transport planning, planning projects, regeneration north, regeneration south, regeneration capital and property services. Though distinct, the project areas are collectively responsible for leading the council's overall vision of transforming the borough's landscape through the delivery of high profile regeneration programmes.
56. The total programme budget for the department over the 2014/15 to 2023/24 period has increased from £170.5m to £188.5m since quarter 3 monitor was presented to cabinet. The budget increase of £18m is due to a combination of additional funding from TfL, GLA grants and s106 funds secured in the last quarter of 2014/15 financial year.
57. In 2014/15, the department incurred expenditure of £22.5m against full year budget of £27.8m and a quarter 3 forecast of £24.8m. This outturn figure of £22.5m represents 90% of projected expenditure at quarter 3 and a positive variance of £5.3m against full year budget. This variance has been re-profiled into future years in line with the current project delivery plans.
58. The planning division (transport planning and planning projects) has a combined budget of £29.2m funded largely by TfL grant, s106 and capital receipts. In 2014/15, a total sum of £6.9m was expended to deliver various public realm, open spaces and transport improvement projects across the borough.
59. The Mint Street Park project went on site during 2014/15 as did the final phase of Quentin House works, Fair St sunken garden; and Lavington and Great Guildford Street Improvements.
60. Shop front improvements at Queens Road are nearing completion and the long desired works at Winchester Palace have completed on site. Repairs to lighting improvements in Bankside have also been undertaken. A works contract has also been let for the triangle site on Tooley Street which will be completed on site by quarter 3 of 2015/16.
61. Southwark received grant of £4m from Transport for London (TfL) in the financial year 2014/15. The capital investment was largely used to develop transport improvements schemes which will be completed in 2015/16. These include substantial neighbourhood improvements in Peckham focusing on Brayards Road, Bellenden Road, Coleman Road, Wells Way, Southampton Way and Bournemouth Road.

62. The Regeneration division (Regen North, Regen South, Regen Capital and Others) have a combined budget of £159m largely funded by S106, capital receipts and external grants.
63. In 2014/15, the division incurred expenditure of £15.6m to progress the delivery of key regeneration projects which include the construction of ultra-modern library in Camberwell as part of Revitalise Camberwell; new leisure centre in Elephant and Castle as part of the wider regeneration of the area and a new community centre in Nunhead. The completion of these high profile regeneration projects are scheduled for 2015/16 and an update on these and other regeneration projects will be provided in the next quarterly report to cabinet.

Housing General Fund

64. The total expenditure incurred in 2014/15 was £1.9m against a budget of £2.2m. Commentary on the schemes within the Housing General Fund is provided below.
65. Springtide - The refurbishment of the Gypsy & Traveller site completed this year, which completed the refurbishment programme of the four Gypsy and Traveller sites in the borough.
66. Ilderton Rd G&T - Negotiations are on-going with Network rail concerning the stability works to the embankment. Budgets are being retained for the expected expenditure in 15/16.
67. Waddling St - The Guinness housing scheme started on site in 2014/15. This is the final E&C replacement housing scheme.

Housing Investment Programme (APPENDIX B)

68. The total value of the Housing Investment Capital Programme for the period 2014/15 to 2021/22 is £1,538.4m including the capital bids of £4.524m agreed recently at Housing Investment Board. These bids are reflected in Appendix C for cabinet approval. The final outturn for 2014/15 was £168.6m against a budget of £176.9m indicating a favourable variance of £8.3m which will be re-profiled into 2015/16. The section below provides commentary on the major areas of activity across the various capital projects within the Housing Investment Programme.

Warm Dry and Safe

69. A total of £99m was spent in 2014/15 on warm dry and safe against an initial programme budget of £92.4m for the year. Next year the programme is forecasting to spend £200.6m with projects now being committed against the £985m capital budget allocation agreed by cabinet in quarter 3 of 2013/14 for the housing stock programme. 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. The WDS programme will be fully committed and a 90% decency target has been set for March 2016.
70. 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 is expected to be around £82m for delivering these schemes.

71. 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 the original WDS allocation of £14.6m for these schemes. The remaining three schemes are expected to complete early in 2015/16.
72. Eight of the WDS 2013 major works schemes are committed, with 4 achieving practical completion. 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). £26.6m has so far been committed against the original WDS allocation of £10.6m for the committed schemes. The overall original WDS 2013 major schemes allocation was £30.8m including some brought forward blocks being delivered with these schemes but excluding contingency.
73. Some WDS 2014 major works schemes works were brought forward using the Decent Homes Backlog funding. £95m has been committed against the original overall WDS allocation of £37.6m for all the WDS 2014. One of the remaining two WDS 2014 major works schemes is expected to be committed in 2015/16 with the other scheme on hold pending heating works.
74. Over £40m of the WDS 2015 major works schemes were committed at the end of 2014/15 with the majority of the remaining schemes expected to be committed by quarter 2 of 2015/16. This means the majority of the programme will be fully committed by quarter 2 of 2015/16.
75. The trend of schemes requiring more resources than the stock condition survey estimate has continued, meaning that the existing WDS budget is effectively committed with resources now being allocated from the £985m housing stock programme budget allocation to complete the programme.
76. Following the manifesto commitment to deliver a kitchens and bathroom programme, a package of works was put together to be delivered alongside the major works programme for the year. Estimated costs of £186.3m have been included in the capital programme for 2015/16 but will be revised during the year following more detailed surveys and programming.
77. The additional HINE works for both the Four Squares and Hawkstone projects continue on site. 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.
78. There are a number of potential funding streams that can contribute to or reduce the commitment for extra resources for this programme. A successful bid of £53m was submitted for Decent Homes Backlog funding in 2015/16 and this has been added to the funding assumptions. Further to this, 'risk pots' in committed projects not being utilised and under spends on projects will mean reduced costs on committed projects. In addition, there are also sales agreed for some HINE

schemes as part of the original cabinet approvals which will contribute towards the costs.

79. All the remaining WDS district heating schemes programmed up to 2013/14 are now on site. The remaining programmed 2015/16 WDS district heating schemes are now expected to be committed during 2015/16.
80. 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 risks of high rise blocks are also complete except for works that are being completed to coincide with the WDS programme. £2.3m has been allocated to complete substantial medium rise FRA works and these will also be completed alongside the planned 2015/16 WDS works. Sidmouth has also been added to the FRA programme.
81. 2,173 homes fell into non-decency at the start of 2014/15 meaning the Decency level fell from 62.66% at 2013/14 year end to 56.88% at the start of 2014/15. The decency level at the end of the year was 65.3%. A 90% decency target has been set for March 2016.

Regeneration Schemes 2014/15

11,000 New Homes Programme

Hidden Homes – refurbishment

82. Eleven Hidden Homes comprising of 1, 2 and 3 bed units were completed this year. This element of the Direct Delivery Programme was funded through a mixture of sources including S106 funding and a grant from the GLA “Building the Pipeline”.

New Build – Phase 1

83. 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”.

Phase 1A – Willow Walk

84. Willow Walk will be the first newly built homes delivered as a result of this programme. This scheme will deliver 21 general needs housing and a 54 short stay accommodation unit, both of which are scheduled to complete by June 2015. These units are being funded through a mixture of GLA grant funding, S106 Affordable housing fund and capital receipts.

Phase 1B – Other Works

85. Phase 1B consists of seven sites, these are Long Lane, Masterman House, Clifton Estate, Gatebeck, Southdown on the East Dulwich Estate, Cator Street and Nunhead Green site B which started in January 2015. These works are due to complete in between January and September 2016. Enabling works at Sumner Road has also commenced with the main works due to commence in early 2016.

86. The estimated cost of the works to these 7 sites is approximately £42.3m excluding Sumner Road. These schemes will be funded from various funding streams; £19m will be sought from S106 Affordable Housing Fund. The balance of £23.3m will be funded from a combination of other resources including GLA grant (Building the Pipeline) £1.9m, £650k from sales, £8.7m from the reserved part of the RTB receipts set aside for new build and £12.05m from other capital receipts.

Cash Incentive Scheme

87. The 2014/15 Cash Incentive Scheme budget was £490k and spend at the year end was £142k. The number of applications has soared and the council has been successful in making an additional bid to the DCLG for grant under their Right to Buy Social Mobility Fund to address both the substantial waiting list and increase grant levels to counter the RTB. The amount awarded is £2.25m. A capital bid to increase the Cash Incentive Grant Scheme budget for 2015/16 from council resources was agreed by the Housing Investment Board recently and is reflected in Appendix C for cabinet approval.
88. The Hardship Repurchase Budget of £500k was not utilised in 2014/15... Home owner interest in the scheme has been minimal, although there are currently two cases that are likely to reach completion in the first quarter of 2015/16. The budget will be re-profiled into 2015/16 to facilitate these two 'buybacks', one of which is an urgent mortgage rescue case. Any residual budget from this allocation will be reviewed at the end of 2015/16.

Tenant & Resident Halls

89. In 2012 a capital sum of £2.1m was established for the hall portfolio within the Housing Investment 5-year programme. A further £200k was added from revenue to the capital sum over the next 5 years to address the history of lack of investment which produced a total capital budget of £3.1m over the next five years.
90. The capital programme on this area commenced in 2013 and now approaching the end of the second year of the 5 year programme. In addition to the original capital sum, a further £2m was allocated for Energy Efficiency Improvements which is being used on a case by case basis and will, mainly target improvements such as double glazing, boiler upgrades, warm roofs and LED lighting (when it is considered cost effective). Investigations are underway to find more innovative methods for Energy Efficiency measures.
91. The following halls have been completed or nearing completion:

Hall	Phase
Penrose	Phase 1/1A
Glebe	Phase 1/1A
Consort	Phase 1/1A
Astley and Cooper	Phase 1/1A
Brimtonroy	Phase 1/1A
Nelson	Phase 1/1A
Buchan	Phase 1/1A
Bells Garden	Phase 1/1A

Hall	Phase
Rockingham	Phase 1/1A
Queensborough	Phase 1/1A
Silverlock	Phase 1/1A
Unwin & Friary	Phase 1/1A
Brandon 3	Phase 1/1A
Millpond	Phase 1/1A
Pelier	Phase 2
Rye Hill	Phase 2
Cossall	Phase 2
Setchell	Phase 2
Newington	Phase 2
Sydenham	Phase 2
Denmark Hill	Phase 2
Lordship Lane	Phase 2
Tabard	'Stand Alone'
Magdalene	'Stand Alone'
Webber and Quentin	'Stand Alone'
Canada Estate	'Stand Alone'
Draper (Roof Only)	'Stand Alone'
Four Squares	'Stand Alone'
Croxted Road	'Stand Alone'

92. The costs for Phase 3 are now being established and these are expected to start soon which comprise of Brandon OAP club, Draper, Sceaux Gardens (FRA only) and Wade Hall (Roof Works only).
93. Halls for Phase 4 are in the process of being identified and surveys are expected to be carried out soon.

Resource implications

94. 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.
95. After financing the capital expenditure for 2014/15, the council had accumulated cash balances of £168m, as reflected in the draft statement of accounts which will be used towards the funding of the capital programme. The balance consists of:
- capital receipts reserve balance of £42.8m
 - capital grants unapplied balance of £125.2m (of which £112.2m relates to S106 funds and Affordable Housing Funds used to fund both capital and revenue programmes).

96. In relation to the balance of unapplied capital grants (£125.2m), £56.5m consists of HRA funds and the remaining balance of £68.7m relates to General Fund grants.
97. These balances are committed against existing capital projects but were unapplied as at 31 March 2015 and could be subject to minor adjustments as part of the finalisation of the 2014/15 accounts.

Housing Invest Programme Resources

98. The total spend on the Housing Investment Programme was £168.6m. This was financed from a number of sources as follows.
99. £18.6m of funding came from the Major Repairs Reserve. This is less than the £47.8m transferred to the reserve via the annual depreciation charge and allows £29.2m to add to the unused reserve balance carried forward to meet future years capital spending.
100. Capital grants totalled £35.1m, including £32.4m as the final tranche of three years funding given by GLA for Decent Homes backlog works and £2.7m also from GLA towards new build housing.
101. The revenue contribution toward the capital spend was £18.7m and included an element of funding from external decorations cost code and the heating reserve.
102. An external contribution of £16.4m related to the clearance of Heygate Estate sites for redevelopment.
103. Capital receipts used to fund the capital program totalled £75.3m, comprising £70.0m from general housing receipts, £2.7m from Right to Buy sales for buy back of dwellings and £2.6m from that source to support the New Build programme.
104. Contributions of £4.5m were received under S106 developer funding to support the new build program at Willow Walk and other areas.

Southwark Community Infrastructure Levy (CIL)

105. On 25 March 2015, following two years of development and three rounds of consultation, council assembly approved a Community Infrastructure Levy (CIL) for Southwark. Southwark CIL is a floor space charge for infrastructure which applies to applicable planning permissions from 1 April 2015. On 17 March 2015, cabinet approved the S106 & CIL Supplementary Planning Documents (SPD) which refined what S106 can be secured on, and committed to spend 25% of Southwark CIL locally. Approval is now sought for the creation of the associated Infrastructure Planning Board (IPB) and process for identifying projects for which the 70% CIL strategic funding may be used as all or partial funding of projects within the council's capital programme.

Southwark CIL Strategic – 70%

106. Once Southwark CIL is fully established, which may take six months; it is expected to generate funding of approximately £8m per annum. CIL must be

spent on 'infrastructure that supports growth'. The infrastructure plan sets out the infrastructure required to support growth over the Core Strategy period and was part of the justification for CIL, but is not a list of priority projects.

107. It is proposed to allocate 70% of Southwark CIL funds to physical infrastructure projects that support the capital programme. Proposals for suitable projects for allocations from Strategic CIL would be made by the Infrastructure Planning Board (IPB) consisting of departmental heads or representatives from departments responsible for physical infrastructure projects, along with planning to ensure the proposals are aligned with Southwark CIL. Reports with comments from planning and finance would be submitted to IPB to request allocation from Southwark CIL. The IPB would be chaired by the strategic director of finance and corporate services or his representative.
108. Southwark CIL may, in cases where the council agrees, be paid to the council by way of an assets transfer, land or infrastructure independently valued at the amount of CIL due (or part of).
109. Recommendations by the IPB for allocations from Southwark CIL Strategic 70% will be reported to cabinet via capital monitoring reports.

Southwark CIL Local – 25% - Community Infrastructure Project Lists (CIPL)

110. Under the Localism Act (2011), the council must identify a 'meaningful proportion' of Southwark CIL that will be spent on providing infrastructure in local areas to ensure that those people affected by development see some of the benefit. The 'meaningful proportion' is 25% of CIL funding in areas where there is an adopted neighbourhood plan in place, and 15% (capped at £100 per council tax dwelling) elsewhere.
111. Cabinet agreed on 17 March 2015 that in Southwark this will be made using the community infrastructure project list (CIPL) which is based on a project bank list or where relevant on projects listed in an adopted neighbourhood plan. Southwark will allocate at least 25% of CIL on projects in the local area, whether there is an adopted neighbourhood plan or not, using the following sequence of areas to identify relevant projects.
 - Areas with an adopted neighbourhood plan
 - Opportunity areas
 - Action areas
 - SPD areas (other than individual sites/buildings)
 - Community council areas (for those areas which are not covered by any of the above).
112. The CIPLs are project ideas created by the local community and approved by the relevant community council. Consultation on the CIPLs happens regularly to make sure they are up-to-date.

Administration – 5%

113. The CIL regulations allow for the charging authority to use 5% of the CIL it receives to support the administration of CIL. This includes the costs of preparing the charging schedule, calculating and requesting the charge. There is

a legal requirement to annually publish what CIL has been spent where and on what, along with our allocations proposal. The planning service is responsible for the administration of CIL.

S106

114. To ensure that CIL and section 106 are not used to fund the same items of infrastructure, a charging authority is required to publish on its website a list of projects or types of infrastructure that it intends to fund wholly or partly through CIL – the Regulation 123 List. If an infrastructure item is included on the list, the council would not be able to seek section 106 planning obligations for that item. The Regulation 123 List can be updated as circumstances change without any requirement to update the CIL Charging Schedule, but any changes must be subject to public consultation and published on the council's website. The council has published a Regulation 123 List alongside the revised draft CIL Charging Schedule.

Future changes

115. The proposed process could be easily adaptable to future changes from central government as to what CIL can be spent on and how it is reported.
116. Monitoring and Reporting of CIL
117. An update on the overall financial position of the Southwark CIL will be monitored and reported to cabinet via capital monitoring reports.

Resource Re-profiling

118. Due to the significant 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. As noted in the preceding paragraphs, the 2014/15 outturn position has resulted in a small favourable variance across the programme which it is recommended be re-profiled into 2015/16 and following years in light of the outturn position and the projected expenditure as shown in A and B.
119. Some of the forecasts will require further re-profiling when the programme is subject to a more detailed review by service managers during 2015/16 in terms of expected spend for the year based on the latest information available on procurement and contract management issues.
120. During 2014/15 there have been a number of funded and agreed variations to the capital programme budgets. These have been included in the total budgets against which the outturn expenditure is set, in order to provide an up-to-date position of the budgets available as at 1 April 2015. Details of this are shown at Appendix C.

Risks

121. A number of risks have been identified which can affect the successful delivery of capital projects and which have been described below.

- Programme slippage resulting in slower than anticipated use of resources is mitigated through use of realistic timelines and supporting programme assumptions and documentation. Resource allocations are made to specific schemes so that resources use can be tracked against specific programmes.
- Lack of management and/or departmental capacity which could result in poor quality financial management is mitigated through use of dedicated finance teams and management of departmental programmes by appropriately qualified departmental finance managers, who are responsible for the outturn positions of each department.
- Lack of funding for the overall capital programme and uncertainty over the timing, amount and origin of funding sources is mitigated through monthly financial monitoring and exploring all funding options along with re-profiling and reallocation of resources where needed. Suitable controls are in place to govern the approval of new items, and virement/reallocation of resources. The programme is subject to regular refresh through cabinet.
- Changes to funding regimes due to legislation or central government requirements resulting in negative impacts on the programme are mitigated where possible through contact with departments, use of a range of funding sources, development and retention of reserves and robust forward planning. A clear, regularly updated disposals programme allows the council to forecast its receipts profile with reasonable accuracy and supports a level of flexibility in the programme.

Community impact statement

122. This outturn report is considered to have no or a very limited direct impact on local people and communities, although of course the capital programme itself will deliver significant enhancements to the amenities and infrastructure of the borough.

Legal implications

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

Financial implications

124. This report fully explores the financial implications of the capital programme for the general fund and the housing investment programme at the end of 2014/15.

Consultation

125. 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

126. 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.
127. 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.
128. The director of legal services notes the recommendation that cabinet agrees the process for identifying projects for which Community Infrastructure Levy (CIL) may be used as all or partial funding as detailed in paragraphs 106-118.

BACKGROUND PAPERS

Background Papers	Held At	Contact
None		

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 4 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		
Version	Final		
Dated	10 July 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			10 July 2015

GENERAL FUND - 2014/15 QUARTER 4 - CAPITAL OUTTURN REPORT

Appendix A

General Fund Summary Monitoring Position

Department	2014/15			2015/16			2016/17+			Total Programme 2014/15-23/24		
	Revised Budget	Outturn	Variance	Revised Budget	Forecast	Variance	Revised Budget	Forecast	Variance	Total Revised Budget @ 31/03/2015	Total Forecast	Total Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Children's and Adult Services	17,733	18,259	526	64,226	48,010	(16,216)	72,544	88,234	15,690	154,503	154,503	0
Southwark Schools for the Future	4,609	4,584	(25)	2,653	2,679	26	35,675	35,674	(1)	42,937	42,937	0
Finance and Corporate Services	8,577	8,205	(372)	14,694	10,129	(4,565)	39,907	44,844	4,937	63,178	63,178	0
Environment	24,037	22,252	(1,785)	36,081	26,810	(9,271)	89,766	100,822	11,056	149,884	149,884	0
Housing General Fund	2,260	1,975	(285)	1,167	1,452	285	0	0	0	3,427	3,427	0
Chief Executive	27,805	22,498	(5,307)	24,822	28,944	4,122	135,898	137,083	1,185	188,525	188,525	0
TOTAL EXPENDITURE	85,021	77,773	(7,248)	143,643	118,024	(25,619)	373,790	406,657	32,867	602,454	602,454	0
FINANCED BY:												
Capital Receipts	43,005	36,163	(6,842)	53,656	51,656	(2,000)	230,335	216,801	(13,534)	326,996	304,620	(22,376)
Reserves	3,800	4,542	742	4,229	3,761	(468)	4,203	3,929	(274)	12,232	12,232	0
Revenue	1,460	60	(1,400)	1,131	1,253	122	50	1,328	1,278	2,641	2,641	0
Capital Grants	27,640	28,578	938	53,440	26,407	(27,033)	40,445	66,540	26,095	121,525	121,525	0
Section 106 Funds	8,143	7,472	(671)	12,336	12,409	73	63,729	64,327	598	84,208	84,208	0
External Contributions	973	910	(63)	114	84	(30)	380	473	93	1,467	1,467	0
TOTAL RESOURCES	85,021	77,725	(7,296)	124,906	95,570	(29,336)	339,142	353,398	14,256	549,069	526,693	(22,376)
Forecast variation (under)/over	0	48	48	18,737	22,454	3,717	34,648	53,259	18,611	53,385	75,761	22,376

Project description	2014/15			2015/16		
	Agreed Budget	Forecast	Variance	Revised Budget	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000
WDS carry-over schemes	7	158	151	165	14	(151)
WDS 2-year programme	1,582	1,919	337	755	418	(337)
WDS 2012 major works	17,847	14,666	(3,181)	2,362	5,543	3,181
WDS 2013 major works	11,254	9,445	(1,809)	4,600	6,409	1,809
WDS 2014 major works	33,915	36,219	2,304	42,527	40,223	(2,304)
WDS 2015 major works	2,600	16,369	13,769	146,458	132,689	(13,769)
FRA works	2,192	1,234	(958)	1,169	2,127	958
M&E electrical	790	40	(750)	427	1,177	750
M&E heating	9,886	8,531	(1,355)	4,239	5,594	1,355
M&E lifts	2,339	2,279	(60)	735	795	60
WDS voids works	4,147	4,059	(88)	3,506	4,088	582
WDS Unallocated Budget	1,409	452	(957)	0	463	463
HINE WDS works	4,456	3,655	(801)	239	1,040	801
WDS Leathermarket JMB	746	1,475	729	1,100	371	(729)
Housing Stock - New Programme	0	0	0	20,000	20,000	0
Additional FRA Works	2,087	1,323	(764)	2,301	3,065	764
HINE additional works	10,054	15,229	5,175	19,580	14,405	(5,175)
Aylesbury Estate PPM works	3,730	3,220	(510)	1,149	1,659	510
Aylesbury Estate regeneration	3,200	5,637	2,437	12,649	10,212	(2,437)
Bermondsey Spa refurbishment	673	83	(590)	0	395	395
East Dulwich Estate	5,514	2,091	(3,423)	805	4,228	3,423
Elmington Estate	914	895	(19)	2,637	2,656	19
Heygate Estate	8,661	6,782	(1,879)	5,016	6,895	1,879
Hidden Homes	472	106	(366)	83	449	366
Hostels new build	10,182	10,548	366	3,614	3,248	(366)
Local authority new build	274	71	(203)	40	243	203
Misc regen, acquisitions and home loss	642	203	(439)	0	230	230
Purchase of S106 Prop from Developers	0	0	0	16,825	16,825	0
Direct Delivery - New Council Homes	14,661	6,008	(8,653)	24,726	33,379	8,653
Adaptations	2,171	2,138	(33)	2,079	2,112	33
Affordable hsing through commuted sums	704	718	14	14	0	(14)
Cash incent & Home owner buy back sch	490	142	(348)	3,632	3,980	348
Digital switchover	242	94	(148)	0	148	148
Disposals costs	864	485	(379)	121	500	379
Energy	0	0	0	0	0	0
Installation of Sprinkler & Smoke detectors	5,517	4,523	(994)	9,767	10,761	994
Lakanal House	1,026	516	(510)	7,431	7,941	510
Fire damage reinstatement	1,056	478	(578)	200	778	578
Group repairs	0	0	0	272	272	0
Hostels accommodation	384	348	(36)	0	36	36
Leasehold / freehold acquisitions	1,205	308	(897)	0	897	897
Major voids	1,256	677	(579)	1,381	1,960	579
Office accommodation	0	0	0	0	0	0
Scheme management costs	0	0	0	0	0	0
Security	380	284	(96)	4	100	96
Sheltered accommodation	198	328	130	502	372	(130)
T&RA halls	3,597	3,672	75	3,636	3,561	(75)
Heating Energy Efficiency Measures	3,601	1,189	(2,412)	2,150	4,562	2,412
TOTAL	176,925	168,597	(8,328)	348,896	356,820	7,924
FINANCED BY:						
Capital Receipts b/fwd	70,186	69,977	(209)	6,578	6,578	0
Capital Receipts	27,396	2,627	(24,769)	21,083	21,083	0
RTB Receipts - Restricted to New Build	0	2,711	2,711	36,210	36,210	0
Depreciation charge (MRA)	46,800	18,570	(28,230)	46,400	46,400	0
Major Repairs Reserve (MRR)	2,800	0	(2,800)	39,540	39,540	0
Revenue Contribution	21,800	18,672	(3,128)	18,700	18,700	0
New Homes Bonus	1,500	0	(1,500)	0	0	0
Grants (DH backlog funding)	32,100	32,369	269	53,036	53,036	0
Section 106 Funds & Grants	10,742	7,222	(3,520)	29,999	29,999	0
External Contributions	14,500	16,449	1,949	0	0	0
TOTAL RESOURCES	227,824	168,597	(59,227)	251,546	251,546	0
Forecast variation (under)/over	(50,899)	0	50,899	97,350	105,274	7,924

Project description	2016/17			2017/18 - Future Years			Total Programme 2014/15-23/24		
	Revised Budget	Forecast	Variance	Revised Budget	Forecast	Variance	Revised Budget	Total Forecast	Total Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
WDS carry-over schemes	0	0	0	0	0	0	172	172	0
WDS 2-year programme	2,462	2,462	0	635	635	0	5,434	5,434	0
WDS 2012 major works	50	50	0	4,592	4,592	0	24,851	24,851	0
WDS 2013 major works	418	418	0	7,184	7,184	0	23,456	23,456	0
WDS 2014 major works	12,082	12,082	0	9,055	9,055	0	97,579	97,579	0
WDS 2015 major works	40,598	40,598	0	2,043	2,043	0	191,699	191,699	0
FRA works	0	0	0	0	0	0	3,361	3,361	0
M&E electrical	541	541	0	0	0	0	1,758	1,758	0
M&E heating	527	527	0	0	0	0	14,652	14,652	0
M&E lifts	37	37	0	0	0	0	3,111	3,111	0
WDS voids works	0	0	0	0	0	0	7,653	8,147	494
WDS Unallocated Budget	0	0	0	331	331	0	1,740	1,246	(494)
HINE WDS works	4,891	4,891	0	2,137	2,137	0	11,723	11,723	0
WDS Leathermarket JMB	0	0	0	0	0	0	1,846	1,846	0
Housing Stock - New Programme	10,000	10,000	0	765,329	765,329	0	795,329	795,329	0
Additional FRA Works	0	0	0	0	0	0	4,388	4,388	0
HINE additional works	6,991	6,991	0	10,753	10,753	0	47,378	47,378	0
Aylesbury Estate PPM works	0	0	0	0	0	0	4,879	4,879	0
Aylesbury Estate regeneration	7,050	7,050	0	46,699	46,699	0	69,598	69,598	0
Bermondsey Spa refurbishment	197	392	195	0	0	0	870	870	0
East Dulwich Estate	0	0	0	0	0	0	6,319	6,319	0
Elmington Estate	323	323	0	0	0	0	3,874	3,874	0
Heygate Estate	1,000	1,000	0	0	0	0	14,677	14,677	0
Hidden Homes	0	0	0	0	0	0	555	555	0
Hostels new build	0	0	0	0	0	0	13,796	13,796	0
Local authority new build	0	0	0	0	0	0	314	314	0
Misc regen, acquisitions and home loss	0	0	0	150	359	209	792	792	0
Purchase of S106 Prop from Developers	0	0	0	0	0	0	16,825	16,825	0
Direct Delivery - New Council Homes	40,252	40,252	0	0	0	0	79,639	79,639	0
Adaptations	2,000	2,000	0	10,000	10,000	0	16,250	16,250	0
Affordable hsing through commuted sums	0	0	0	0	0	0	718	718	0
Cash incent & Home owner buy back sch	421	421	0	0	0	0	4,543	4,543	0
Digital switchover	0	0	0	0	0	0	242	242	0
Disposals costs	379	379	0	0	0	0	1,364	1,364	0
Energy	200	200	0	200	200	0	400	400	0
Installation of Sprinkler & Smoke detectors	11,664	11,664	0	15,203	15,203	0	42,151	42,151	0
Lakanal House	5,450	5,450	0	3,036	3,036	0	16,943	16,943	0
Fire damage reinstatement	0	0	0	0	0	0	1,256	1,256	0
Group repairs	0	0	0	0	0	0	272	272	0
Hostels accommodation	0	0	0	0	0	0	384	384	0
Leasehold / freehold acquisitions	300	300	0	0	0	0	1,505	1,505	0
Major voids	0	0	0	0	0	0	2,637	2,637	0
Office accommodation	0	0	0	250	250	0	250	250	0
Scheme management costs	0	0	0	2,736	2,736	0	2,736	2,736	0
Security	0	0	0	300	300	0	684	684	0
Sheltered accommodation	0	0	0	0	0	0	700	700	0
T&RA halls	1,500	1,500	0	0	0	0	8,733	8,733	0
Heating Energy Efficiency Measures	4,000	4,000	0	0	0	0	9,751	9,751	0
TOTAL	153,333	153,528	195	880,633	880,842	209	1,559,787	1,559,787	0
FINANCED BY:									
Capital Receipts b/fwd	0	0	0	0	0	0	76,764	76,555	(209)
Capital Receipts	25,000	25,000	0	117,800	117,800	0	191,279	166,510	(24,769)
RTB Receipts - Restricted to New Build	0	0	0	0	0	0	36,210	38,921	2,711
Depreciation charge (MRA)	46,400	46,400	0	232,000	232,000	0	371,600	343,370	(28,230)
Major Repairs Reserve (MRR)	0	0	0	0	0	0	42,340	39,540	(2,800)
Revenue Contribution	18,600	18,600	0	84,600	84,600	0	143,700	140,572	(3,128)
New Homes Bonus	0	0	0	1,100	1,100	0	2,600	1,100	(1,500)
Grants (DH backlog funding)	0	0	0	0	0	0	85,136	85,405	269
Section 106 Funds & Grants	0	0	0	0	0	0	40,741	37,221	(3,520)
External Contributions	0	0	0	0	0	0	14,500	16,449	1,949
TOTAL RESOURCES	90,000	90,000	0	435,500	435,500	0	1,004,870	945,643	(59,227)
Forecast variation (under)/over	63,333	63,528	195	445,133	445,342	209	554,917	614,144	59,227

GENERAL FUND AND HOUSING INVESTMENT PROGRAMME - 2014/15 QUARTER 4 - CAPITAL OUTTURN REPORT									APPENDIX C
FUNDED VARIATIONS AND VIREMENTS 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 3 2014/15	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
Quarter 4 - Virements to be approved									
Pynners Sports Ground reinstatement works				8,759			8,759		8,759
RFID Libraries				(8,759)			(8,759)		(8,759)
Livesey Museum				48,046			48,046		48,046
Temporary library at Elephant & Castle				(48,046)			(48,046)		(48,046)
Major Parks				(250,000)			(250,000)		(250,000)
Park Infrastructure & Investment Programme				(1,000,000)			(1,000,000)		(1,000,000)
WDS carry-over schemes								165,896	165,896
WDS 2-year programme								(165,896)	(165,896)
WDS 2012 major works								3,146,669	3,146,669
WDS 2014 major works								39,971,057	39,971,057
WDS 2015 major works								152,083,665	152,083,665
FRA works								(23,589)	(23,589)
WDS Unallocated Budget								(2,271,436)	(2,271,436)
Housing Stock - New Programme								(189,759,700)	(189,759,700)
HINE WDS works								(3,146,667)	(3,146,667)
Affordable housing through commuted sums								14,582	14,582
Scheme management costs								(14,582)	(14,582)
Rolls Road Tunnel Improvements						(30,787)	(30,787)		(30,787)
Grange Road Lighting Improvements						(16,000)	(16,000)		(16,000)
Dockley Road						46,787	46,787		46,787
Triangle Site						35,000	35,000		35,000
Tooley Street Projects						(35,000)	(35,000)		(35,000)
Revatilise Peckham						250,000	250,000		250,000
Revatilise Peckham						1,000,000	1,000,000		1,000,000
Discretionary Funding						(20,000)	(20,000)		(20,000)
Lavington and Great Guildford Street Improvements						20,000	20,000		20,000
Walworth Academy Forecast additional expenditure 2015/16		1,680					1,680		1,680
Unallocated Projects funding Walworth additional expenditure 2015/16		(1,680)					(1,680)		(1,680)
SMAA -lease and additional expenditure		1,233,257					1,233,257		1,233,257
Unallocated Projects funding SMAA additional expenditure 2015/16		(1,233,257)					(1,233,257)		(1,233,257)
STAC PFI St Thomas the Apostle college 2014/15		(3,091)					(3,091)		(3,091)
Unallocated Projects 2014/15		3,091					3,091		3,091
New School Aylesbury - Forecast additional expenditure 2015/16		50,597					50,597		50,597
Unallocated Projects funding NSA additional expenditure 2015/16		(50,597)					(50,597)		(50,597)
Notre Dame (VA) 2014/15		8,445					8,445		8,445
Unallocated Projects 2014/15		(8,445)					(8,445)		(8,445)
Notre Dame (VA) 2015/16		6,288					6,288		6,288
Unallocated Projects funding Notre Dame additional expenditure 2015/16		(6,288)					(6,288)		(6,288)
Sacred Heart PFI 2014/15 overspend funded from unallocated projects		68,946					68,946		68,946

GENERAL FUND AND HOUSING INVESTMENT PROGRAMME - 2014/15 QUARTER 4 - CAPITAL OUTTURN REPORT									APPENDIX C
FUNDED VARIATIONS AND VIREMENTS 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
Unallocated Projects 2015/16 budget to fund 2014/15 overspend on SH		(68,946)					(68,946)		(68,946)
Sacred Heart PFI 2015/16 overspend funded from unallocated projects		3,834					3,834		3,834
Unallocated Projects 2015/16 over spend for SH loaded from 2015/16		(3,834)					(3,834)		(3,834)
ICT - 2015/16 2016/17 budget from 2015/16		106,452					106,452		106,452
Unallocated Projects roll forward 2016/17 budget		(106,452)					(106,452)		(106,452)
Brunswick Park CRC	2,900						2,900		2,900
St John and St Clements	78,815						78,815		78,815
Comber Grove CRC	19,635						19,635		19,635
Ilderton	208,270						208,270		208,270
Rotherhithe	73,442						73,442		73,442
St Peter CE Primary	41,724						41,724		41,724
Goodrich	38,984						38,984		38,984
Grange	59,477						59,477		59,477
Charles Dickens	20,883						20,883		20,883
John Ruskin CRC	16,767						16,767		16,767
St Francesca Cabrini	81,940						81,940		81,940
Valve Jackets Insulation	38,109						38,109		38,109
Schools contribution	(154,386)						(154,386)		(154,386)
Carbon Reduction - 0149s	(100,000)						(100,000)		(100,000)
Carbon Reduction in schools	(426,560)						(426,560)		(426,560)
Total virements to be approved at Qtr 4	0	0	0	(1,250,000)	0	1,250,000	0	(0)	(0)
Quarter 4 - Variations to be approved									
Dr Salter statue				141,870			141,870		141,870
Major Parks - Refund rec'd for Burgess Pk Settlement				100,000			100,000		100,000
Borough & Bankside CGS				28,122			28,122		28,122
Dulwich CGS				9,497			9,497		9,497
Nunhead & Peckham Rye - CGS				16,957			16,957		16,957
Russia Dock Woodland				49,000			49,000		49,000
Little Dorrit Park				100,000			100,000		100,000
Centenary Garden Project - Camberwell CGS				15,000			15,000		15,000
Caroline Gardens greenhouse -Peckham CGS				88			88		88
Parking Design Projects				(5,000)			(5,000)		(5,000)
Renewal Area Solar Heating				(212,702)			(212,702)		(212,702)
New Capital Bids Agreed by Housing Investment Board (HIB)									
Cash Incentive Scheme - Council Allocation (14/5/2015)								1,230,000	1,230,000
Cash Incentive Scheme - DCLG Grant (14/5/2015)								2,250,000	2,250,000
Design and Feasibility of sites/projects (14/5/2015)								1,044,534	1,044,534
Purchase of S106 Properties from Developers-Blackfriars Rd (24/6/2015)								10,645,000	10,645,000
Purchase of S106 Properties from Developers-Surrey Docks (24/6/2015)								6,180,000	6,180,000

GENERAL FUND AND HOUSING INVESTMENT PROGRAMME - 2014/15 QUARTER 4 - CAPITAL OUTTURN REPORT									APPENDIX C
FUNDED VARIATIONS AND VIREMENTS 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
Pockock Street Bridge & Other Bridges Refurbishments						(6,471)	(6,471)		(6,471)
Globe Environment Schemes						(55,221)	(55,221)		(55,221)
Shad Thames Paving						47,618	47,618		47,618
Cycle Lockers						60,000	60,000		60,000
Winchester Palace Gardens						15,000	15,000		15,000
Southwark Young Pilgrims						15,000	15,000		15,000
Grt Guilford North						55,221	55,221		55,221
Malborough Playground						1,720	1,720		1,720
Malborough Playground						454,923	454,923		454,923
Nunhead Outer London Funding Programme						35,299	35,299		35,299
East Peckham & Nunhead Station						5,000	5,000		5,000
Abbey Street Centre						(5)	(5)		(5)
Great Suffolk Street BUP Project						76,186	76,186		76,186
Great Suffolk Street BUP Project						35,500	35,500		35,500
TMOs & Traffic Projects(Rotherhithe & Surrey Quays)						99,351	99,351		99,351
Abbey Street & Tower Bridge Rd Junction						20,705	20,705		20,705
Corridors, Neighbourhoods & Supporting Measures						389	389		389
Enabling Works						(57,047)	(57,047)		(57,047)
Local Transport Funding						52,974	52,974		52,974
Cycling On Greenways						70	70		70
Mayor's Air Quality Fund(Tower Bridge Anti-Idling)						374	374		374
Camberwell Green						120,769	120,769		120,769
Revitalise Camberwell (Southern Ent, Burgess PK, Artichoke)						2,000	2,000		2,000
Revitalise Camberwell (Southern Ent, Burgess PK, Artichoke)						(2,000)	(2,000)		(2,000)
Bridge Assessment & Strenghtening						55,200	55,200		55,200
Bellenden Road						(85,000)	(85,000)		(85,000)
Crystal Palace						(250,000)	(250,000)		(250,000)
Crystal Palace						21,810	21,810		21,810
Estate Cycle Parking						70,000	70,000		70,000
Filtered Permeability						46,000	46,000		46,000
Local Environment Improvements						80,000	80,000		80,000
North Peckham Neighbourhood						1,207	1,207		1,207
Walworth Road South						(20,000)	(20,000)		(20,000)
West Camberwell Neighbourhood						1,205	1,205		1,205
Station Accesibility						(10,000)	(10,000)		(10,000)
Scheme Review						(45,000)	(45,000)		(45,000)
Bus Stop Accessibility						(199,000)	(199,000)		(199,000)
Cycle to School Partnerships						177,000	177,000		177,000
Crystal Palace Quietways						75,000	75,000		75,000
Q1 Ext Grid Site A (Rossetti Road Stevenson Crescent)						16,000	16,000		16,000
Q1 Ext Grid Site B (Abercorn Way/Achilles Close)						139,000	139,000		139,000
Q1 Ext Grid Site C (Abercorn Way/Oxley)						8,000	8,000		8,000
Q1 Ext Grid Site C (Abercorn Way/Oxley)						25,979	25,979		25,979

GENERAL FUND AND HOUSING INVESTMENT PROGRAMME - 2014/15 QUARTER 4 - CAPITAL OUTTURN REPORT									APPENDIX C
FUNDED VARIATIONS AND VIREMENTS 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
Q1 Ext Grid Site D (Chaucer Drive)						131,441	131,441		131,441
Q1 Ext Grid Site E (Willow Walk/Dunton Road/Lynton Road)						50,000	50,000		50,000
Q1 Ext Grid Site E (Willow Walk/Dunton Road/Lynton Road)						21,000	21,000		21,000
Principal Road Renewal						638,000	638,000		638,000
Corridors, Neighbourhood and Supporting Measures						2,135,000	2,135,000		2,135,000
Scheme Review(Corridors, Neighbourhoods & S Measutes)						100,000	100,000		100,000
Local Transport Funding(Discertionary)						100,000	100,000		100,000
Quietways						4,966,935	4,966,935		4,966,935
Mayor's Air Quality Fund(Tower Bridge Anti-Idling)						5,000	5,000		5,000
Bermondsey Spa Traffic Management						(36,000)	(36,000)		(36,000)
Abbey Street Arch						(57,000)	(57,000)		(57,000)
Peckham Rye Station Redevelopment						5,224,755	5,224,755		5,224,755
Walworth Town Hall						59,433	59,433		59,433
Elephant & Castle Regeneration(REFCUS)						(822,047)	(822,047)		(822,047)
Blackfriars Boulevard Project						2,215,780	2,215,780		2,215,780
Rotherhithe Library Street Demolition						334,200	334,200		334,200
Charlotte Sharman Lodge Reinstatement						191,501	191,501		191,501
6-7 Market Place Refurbishment						246,553	246,553		246,553
Downtown CPO						200,000	200,000		200,000
Notre Dame (VA)		(407,899)					(407,899)		(407,899)
Southwark Inclusion	200,000						200,000		200,000
Total variations to be approved at Qtr 4	200,000	(407,899)	0	242,831	0	16,789,307	16,824,239	21,349,534	38,173,773
TOTAL PROGRAMME BUDGET VIREMENTS & VARIATIONS AT QUARTER 4 2014/15	200,000	(407,899)	0	(1,007,169)	0	18,039,307	16,824,239	21,349,534	38,173,773
REVISED BUDGETS	154,503,937	42,936,975	63,177,501	149,884,019	3,426,508	188,525,882	602,454,822	1,559,786,602	2,162,241,424
VIREMENTS & VARIATIONS REQUESTED TO BE APPROVED									
FINANCED BY:									
Capital Receipt	0			(1,150,000)		1,698,553	548,553	19,099,534	19,648,087
Major Repairs Allowance							0		0
Reserves	200,000			80,000		1,649,700	1,929,700	0	1,929,700
Revenue				0		191,501	191,501	0	191,501
Capital Grant	0			(212,702)		13,511,591	13,298,889	2,250,000	15,548,889
Section 106 Funds	0			98,576		974,962	1,073,538	0	1,073,538
External Contribution	0	(407,899)		176,958		13,000	(217,941)	0	(217,941)
									0
TOTAL RESOURCES	200,000	(407,899)	0	(1,007,169)	0	18,039,307	16,824,239	21,349,534	38,173,773

Capital Programme 2014/15 - 2023/24	2014/15			2015/16		2016/17+		Total
Description of Programme / Project	Revised Budget	Outturn	Variance	Revised Budget	Forecast	Revised Budget	Forecast	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Environment								
Kingswood House refurb	0	0	0	250	0	0	250	250
Pynners Sports Ground reinstatement works	45	45	0	0	0	0	0	45
Seven Islands Leisure Centre Refurbishment	150	126	(24)	1,840	1,014	0	850	1,990
Other OLF Projects	1,073	168	(905)	3,170	3,148	0	927	4,243
RFID	290	268	(22)	124	146	0	0	414
Grove Vale Library	0	0	0	160	0	0	160	160
Canada Water Public Art	5	6	1	67	66	0	0	72
Thomas Calton Centre refurbishment	455	236	(219)	96	315	0	0	551
Peckham Pulse Option 1 & 2	600	611	11	1,356	719	0	626	1,956
Leisure centres Lifecycle maintenance	150	154	3	179	176	1,200	1,200	1,529
Livesey Museum	123	123	0	0	0	0	0	123
Further implementation of RFID in libraries	100	0	(100)	0	100	0	0	100
Refurbishment at Peckham Library	0	229	229	550	321	0	0	550
Temporary library at Elephant & Castle	1,152	951	(201)	0	201	4	4	1,156
Cuming Museum fit out of temporary premises	0	0	0	75	75	0	0	75
Olympic Legacy Phase 2	0	0	0	450	450	0	0	450
Modernisation of Adult Learning Services at Thomas Calton Centre - ICT works	150	79	(71)	0	71	0	0	150
Castle Leisure Centre	0	0	0	1,100	1,100	0	0	1,100
Other Park Projects	672	456	(216)	1,557	479	0	1,293	2,229
Community Safety	61	44	(17)	0	17	0	0	61
SDM Essential H&S requirement	285	165	(120)	556	5	500	1,171	1,341
Parking contract upfront capital costs	21	0	(21)	0	21	0	0	21
SDM Essential H & S Project			0		671	0	(671)	0
Walworth Road	0	0	0	38	38	0	0	38
Street Care Non Principal Roads Programme	5,473	7,796	2,324	7,353	5,029	31,600	31,600	44,426
Principal Road Programme	0		0	1,000	1,000	2,000	2,000	3,000
Flood Prevention (Highways drainage gulley replacement) Programme	245	234	(11)	305	316	1,960	1,960	2,510
Pothole Repair Fund	260	260	0	0		0	0	260
Monuments & memorials in the Public Realm	25	0	(25)	475	500	400	400	900
Herne Hill Flood Prevention	3,205	3,133	(72)	0	72	0	0	3,205
Street Metal works - Lamp Column Replacement	549	554	4	500	496	4,000	4,000	5,049
GMH Park accommodation refurbishment	34	4	(30)	80	109	0	0	113
Newington Ward Park Improvements	12	5	(7)	434	441	0	(0)	446
Cemetery Burial Strategy	464	355	(109)	2,400	878	2,354	3,985	5,218
Major Parks	554	437	(117)	1,250	1,293	4,500	4,574	6,304
Additional Replacement Tree Planting	100	88	(12)	100	112	400	400	600
Park Infrastructure & Investment Programme	1,040	1,050	10	220	1,210	7,990	6,990	9,250
Green Dale Fields Project	43	43	0	0	0	0	0	43
Other Public Realm Projects funded by S106	101	39	(62)	415	336	0	140	515
Russia Dock Woodland	49	19	(30)	0	30	0	0	49
Parking Design Projects	45	44	(1)	44	45	0	0	89
Southbank Accessibility Improvements	0	0	0	205	0	0	205	205
Connect 2	1	1	0	0	0	0	0	1
20mph Zone	138	94	(44)	200	100	862	1,006	1,200
Cycling Infrastructure Fund	50	69	19	950	250	1,000	1,681	2,000
Dr Salter Statue	142	138	(4)	0	4	(0)	(0)	141

Capital Programme 2014/15 - 2023/24	2014/15			2015/16		2016/17+		Total
Description of Programme / Project	Revised Budget	Outturn	Variance	Revised Budget	Forecast	Revised Budget	Forecast	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Cleaner Greener and Safer Programme	1,563	1,567	4	4,244	2,002	15,040	17,279	20,848
Integrated Waste Solutions Programme	50	134	84	200	216	1,709	1,609	1,959
Southwark Heat Network	7	7	0	0	0	0	0	7
Energy efficiency - Operational Estate	50	240	190	450	260	2,000	2,000	2,500
Solar Photovoltaic Arrays	599	596	(3)	13	16	0	0	612
Brayards Improvement Zone	850	40	(810)	797	797	0	810	1,647
Housing Renewal	3,056	1,643	(1,413)	2,879	2,166	12,251	14,378	18,187
Environment	24,037	22,252	(1,785)	36,081	26,810	89,766	100,822	149,884
Finance and Corporate Services								
Information Service	2	-	(2)	407	409	795	795	1,204
Essential Upgrade of Carefirst System	980	1,334	354	1,820	1,466	-	-	2,800
IT Investment Schemes	5,434	5,097	(337)	2,883	2,816	8,363	8,767	16,681
Property Works Programme	-	180	180	1,925	462	218	1,500	2,142
Planned Preventative Maintenance (PPM) & Walworth Road Fire	700	165	(535)	6,519	3,803	30,531	33,781	37,750
Municipal Agency Bond	1,400	1,278	(122)	1,000	1,122	-	-	2,400
	60	150	90	140	50	-	-	200
Finance and Corporate Services Total	8,577	8,205	(372)	14,694	10,129	39,907	44,844	63,178
Chief Executive								
Public Realm & Open Space Improvements	678	758	80	2,247	2,144	1,621	1,643	4,545
Borough & Bankside St.Scape Improvements	85	77	(8)	25	33	0	0	110
Bermondsey Streetscape Improvements	10	31	21	362	341	1,058	1,058	1,431
Improving Local Retail Enviroments	110	128	18	125	107	0	0	236
Borough & Bankside Tourism Infrastructure	16	76	60	135	75	159	159	310
Housing and Area Renewal	223	180	(42)	908	960	246	236	1,376
Hatfields Streetscape Improvements	120	17	(103)	96	99	0	100	216
ILRE Phase 2	0	0	0	552	552	1,500	1,500	2,052
Walworth Road South(Missing bit of the Jigsaw)	0	0	0	300	300	2,550	2,550	2,850
Roads & Traffic Mgt Improvements	5,372	5,557	184	4,003	3,812	1,432	1,438	10,807
Major Schemes (Lower Road)	27	31	4	272	268	0	0	299
Quietways (Cycle paths)	0	0	0	1,326	1,326	3,641	3,641	4,967
Mayor's Air Quality Fund	0	0	0	5	5	0	0	5
Bermondsey Spa Public Realm Improvements	25	5	(20)	478	498	0	0	503
Elephant & Castle Open Spaces	482	271	(211)	0	211	5,478	5,478	5,960
Walworth Town Hall	59	79	20	732	712	19,268	19,268	20,059
Rotherhithe Library(Albion Street) Demolition	0		0	334	334	0	0	334
Camberwell Green and Gateway to Peckham	118	204	86	2,442	2,349	15,609	15,616	18,169
Revitalise Camberwell	0		0	0		3,126	3,126	3,126
Camberwell Library	2,592	1,846	(746)	0	746	0	0	2,592
Canada Water Library	178	165	(12)	6	18	161	161	344
Construction of Community Centre	716	802	87	734	647	93	93	1,543
Revitalise Peckham Rye	0	12	12	462	450	2,684	2,684	3,146
Mint Street Adventure	0	0	0	0		2,000	2,000	2,000

Capital Programme 2014/15 - 2023/24	2014/15			2015/16		2016/17+		Total
Description of Programme / Project	Revised Budget	Outturn	Variance	Revised Budget	Forecast	Revised Budget	Forecast	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Construction of Elephant & Castle Leisure Centre	6,465	2,829	(3,636)	2,264	5,899	189	189	8,917
Voluntary Sector Strategy	0	0	0	0	0	1,031	1,031	1,031
Property Acquisition for Regeneration Projects	4,000	3,085	(915)	2,000	2,000	16,000	16,915	22,000
Pullens Yard Improvements	0	0	0	0	0	449	451	451
Void Shops & Council Owned Parade	0	0	0	0	0	2,000	2,000	2,000
Charlotte Sharman Lodge Reinstatement	60	60	0	131	131	0	0	192
6-7 Market Place Refurbishment	247	247	0	0	0	0	0	247
Downtown CPO	200	200	0	0	0	0	0	200
Refurbishment of Office Accomodation	5	7	2	0	0	0	(2)	5
Lease of New Office Accomodation	0	32	32	200	169	1	0	201
Assets	0	0	0	7	0	1,617	1,624	1,624
Acquisition of New Office Accomodation	282	64	(218)	0	79	0	139	282
Elephant & Castle Regeneration	3,618	3,618	0	4,676	4,676	53,884	53,884	62,178
Blackfriards Road Boulevard	2,116	2,116	0	0	0	100	100	2,216
Chief Executive Total	27,806	22,499	(5,307)	24,822	28,944	135,898	137,083	188,525
Children and Adult Services								
Children's Centres	138	136	(2)	15	0	0	17	153
Other grants allocation	0	0	0	1,042	659	0	383	1,042
3 Primaries	3,409	4,247	839	1,563	248	0	476	4,971
Temporary Expansion	1,196	1,189	(6)	0	0	0	6	1,196
Carbon Reduction in Schools	426	681	255	500	245	0	0	926
Other Primary Projects	134	103	(31)	0		0	31	134
Free School Meals	482	275	(207)	165	372	0	0	647
Bessemer	2,064	2,081	17	694	677	0	0	2,758
Dulwich Wood (Langbourne)	1,649	1,110	(539)	1,209	1,748	0	0	2,858
Lyndhurst major expansion & refurbishment	1,487	2,055	568	1,665	1,098	0	0	3,152
Youth Services Projects	300	335	35	42	7	0	0	342
Troubled Families	5	5	0	233	233	0	0	238
Southwark Inclusion	7	7	0	193	193	0	0	200
Maintenance programme for Schools	2,500	1,993	(507)	3,500	4,463	3,500	3,043	9,500
Permanent Expansion	3,300	3,580	280	46,800	33,261	43,394	56,653	93,494
Risk-Council Retained Risk	0	0	0	0	0	2,937	2,937	2,937
Risk- listed Building Planning Consent	0	0	0	0	0	2,000	2,000	2,000
Allowance - RIBA b/c Designs	0	0	0	0	0	4,423	4,423	4,423
Contingency - Inflation	0	0	0	0	0	3,640	3,640	3,640
Southwark Resource Centre	38	(0)	(38)	221	259	0	0	259
Adult PSS Capital Allocations	0	0	0	2,356	1,981	0	375	2,356
Adult PSS Orient Street	130	39	(91)	1,070	1,161	150	150	1,350
Adult PSS Fred Francis	60	0	(60)	0	60	0	0	60
Adult PSS Southwark Park Road	83	48	(35)	0	35	0	0	83
Transformation of LD Care - Brandon Trust	307	207	(100)	959	1,059	0	0	1,266

Capital Programme 2014/15 - 2023/24	2014/15			2015/16		2016/17+		Total
Description of Programme / Project	Revised Budget	Outturn	Variance	Revised Budget	Forecast	Revised Budget	Forecast	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
The Expansion of Telecare	0	150	150	0	150	0	(300)	0
Centre of Excellence	0	0	0	1,000	50	1,500	2,450	2,500
DoH Autism capital grant	19	19	0	0	0	0	0	19
Autism learning provision	0	0	0	1,000	50	11,000	11,950	12,000
Children and Adult Services Total	17,734	18,259	526	64,226	48,010	72,544	88,234	154,503
Southwark Schools for the Future								
Walworth Academy	104	96	(8)	2	10	0	0	106
Tuke Special School	1	1	0			(0)	(0)	0
St Michael's PFI	10	10	(0)			0	0	10
SMAA	2,340	2,017	(323)	1,233	1,557	0	0	3,574
STAC PFI St Thomas the Apostle college	18	15	(3)			0	3	18
New School Aylesbury	878	782	(96)	51	147	0	0	929
Notre Dame (VA)	22	30	8	6	6	0	(8)	28
Contingency & Retension payments	75	142	67	208	4	5,000	5,137	5,283
Contingency & Retension payments	0	1	1	0	0	0	(1)	0
Contingency & Retension payments	0	1	1	0	0	0	(1)	0
KS3/KS4 SILS	20	129	108	158	50	4,257	4,257	4,436
ICT	1,141	1,361	220	995	776	311	311	2,447
Rotherhithe Deferred	0	0	0	0	0	19,622	19,622	19,622
Phase 3 Rescope	0	0	0	0	0	6,485	6,485	6,485
Contingency & Retension Payments	0	0	0	0	130	0	(130)	0
Southwark Schools for the Future Total	4,609	4,584	(25)	2,653	2,679	35,675	35,674	42,937
Housing General Fund								
Springtide Close Travellers Site	400	415	15	127	112	0	0	527
Ilderton Travellers Site Wall	300	0	(300)	0	300	0	0	300
Wadding Street and Stead Street	1,560	1,560	0	1,040	1,040	0	0	2,600
Housing General Fund Total	2,260	1,975	(285)	1,167	1,452	0	0	3,427
Capital Programme 2014/15 - 2023/24	Total General Fund Programme							
	2014/15			2015/16		2016/17+		Total
	Revised Budget	Outturn	Variance	Revised Budget	Forecast	Revised Budget	Forecast	
	£'000			£'000		£'000		£'000
Total Expenditure	85,021	77,773	(7,248)	143,643	118,024	373,790	406,657	602,454
Total Resources	85,021	77,725	(7,296)	124,906	95,570	339,142	353,398	526,693
Forecast variation (under)/over	(0)	48	48	18,737	22,454	34,648	53,259	75,761
Cumulative position				18,737	22,502	53,386	75,761	

Item No. 18.	Classification: Open	Date: 21 July 2015	Meeting Name: Cabinet
Report title:		Revenue Outturn Report 2014/15, including Treasury Management	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Fiona Colley, Finance, Modernisation and Performance	

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

The 2014/15 revenue outturn report shows that we have once again succeeded in meeting our increasing difficult budget challenge and that our financial position remains sound.

We delivered the majority of the £25.9m savings agreed in our budget as planned, supported by a net reduction in reserves of £6m.

However, the continuing pressure of homelessness in the borough meant that we needed to use £1.77m of our contingency budget to top up our budget for temporary accommodation. This is an area of continuing pressure and which we will need to continue to monitor and manage carefully during 2015-15. Increasingly we are finding that homelessness applicants are coming from the private rented sector and are in work. With further reductions to our Discretionary Housing Payments allowance from government and the proposed reduction in the benefit cap and in-work benefits we can expect the demand for temporary accommodation to continue.

It was also disappointing to see the excellent performance on council tax collection, with £4.5m more collected than expected, undermined by a £4.2m deficit in business rate collection. This was due to a combination of a significant time lag in new business premises being valued and an enormous number of appeals being lodged in the final quarter of the year. Officers are meeting with the Valuation Office Agency to discuss these worrying issues and working with London Councils to improve our forecasting of retained business rate income.

RECOMMENDATIONS

1. That the cabinet notes:
 - the general fund final outturn for 2014/15 and net movement in reserves by department;
 - the housing revenue account (HRA) final outturn for 2014/15 and resulting movements in reserves;
 - the treasury management activity for 2014/15;
2. That the cabinet notes that £1.77m was taken from contingency to address temporary accommodation pressures.

3. That the cabinet notes that £5.940m was taken from reserves during 2014/15.
4. That the cabinet notes performance in the collection of council tax.
5. That the cabinet notes the performance in collection of business rates and the risks associated with the Business Rate Retention Scheme.
6. The cabinet approves the general fund budget movements that exceed £250k, as shown in Appendix A.

BACKGROUND INFORMATION

7. The purpose of this report is to report the outturn position for the financial year 2014/15. The council agreed a balanced general fund budget of £308.2m on 26 February 2014 based on a nil council tax increase, and £6.2m use of reserves, giving a budget of £314.4m. This budget was set in the context of a fourth year of significant overall cuts in government funding.
8. The council also approved budget decisions including reductions of some £25.9m within the general fund for 2014/15. Performance on achieving these savings was closely monitored through the year and significant variances are included in departmental narratives.
9. For the Housing Revenue Account, cabinet set tenants' rents and service charges on 28 January 2014. The HRA budget included a £5.9m savings target for 2014/15.

KEY ISSUES FOR CONSIDERATION

General fund overall position

10. The final outturn position for general fund services, before the use of reserves, was an adverse variance of £5.939m. After the application of £7.723m from reserves, this became a favourable variance of £1.784m. Table 1 below shows the outturn position for 2014/15 by department.

Table 1: General fund outturn position for 2014/15

General fund	Original budget	Budget movement	Revised budget	Spend in year	Variance before use of reserves	Net movement in reserves	Total use of resources	Variance after use of reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Children's and adults services	203,078	-9,458	193,620	198,754	5,134	(4,996)	193,758	138
Environment and leisure	72,359	-933	71,426	73,877	2,451	(2,451)	71,426	0
Housing and community services	36,519	3,309	39,828	39,661	(167)	135	39,796	(32)
Public Health	-264	264	0	-228	(228)	228	0	0
Chief executive's department	18,365	-1,254	17,111	17,880	769	(787)	17,093	(18)
Finance and corporate services	38,342	-1,602	36,740	30,734	(6,006)	4,135	34,869	(1,871)
Support cost recharges	(57,956)	11,448	(46,508)	(46,508)	0	0	(46,508)	0

General fund	Original budget £'000	Budget movement £'000	Revised budget £'000	Spend in year £'000	Variance before use of reserves £'000	Net movement in reserves £'000	Total use of resources £'000	Variance after use of reserves £'000
Contingency	4,000	-1,774	2,226	0	(2,226)	2,226	2,226	0
Total general fund services	314,443	0	314,443	314,170	(273)	(1,510)	312,660	(1,783)
Use of reserves to underwrite base budget	(6,213)	0	(6,213)	0	6,213	(6,213)	(6,213)	0
Net revenue budget	308,230	0	308,230	314,170	5,940	(7,723)	306,447	(1,783)

Note 1 – Public Health is shown separately. Children's and Adults and Chief Executive's Departments exclude Public Health budgets and spend.

Note 2 - Explanations of the fourth and final quarter's budget movements are provided in Appendix A.

11. Included in the table above are reserves totalling £1.757m released for the purpose of meeting ill health retirements and one off re-organisation and redundancy costs incurred as departments continue to put into action plans necessary to deliver the on-going savings identified within the budget.

	£'000
Children's and adults' services	654
Environment and leisure	588
Finance and corporate services	515
Total	1,757

12. Table 1 reflects budget movements to the end of 2014/15. Appendix A details the final quarter's movements for cabinet to approve or note as appropriate. Earlier budget movements were included in the quarter 1, quarter 2 and quarter 3 reports.

13. The following key areas of activity in 2014/15 have explanatory commentary

- Contingency (paragraphs 14 to 15)
- Reserves (paragraphs 16 to 27)
- Direct revenue funding of capital (paragraphs 28 to 28)
- Temporary Accommodation (paragraph 29)
- No recourse to public funds (paragraphs 30 to 31)
- Collection fund (paragraphs 32 to 33)
- Public Health (paragraph 36)
- HRA (paragraphs 37 to 39)
- Savings (paragraph 40)
- Schools (paragraphs 41 to 43)
- Treasury Management (paragraphs 44 to 46)
- Municipal bond agency (paragraph 47)

Contingency

14. The 2014/15 budget included £4m for contingency, held to meet unforeseen costs that may arise during the year within departments that strategic directors are unable to contain. During 2014/15 £1.774m was used to support funding for temporary accommodation demand pressures.
15. The remaining £2.226m was transferred to reserves, forming part of the £6.163m

“planned contribution to support General Fund budget 2015/16 reserve”. This is included within strategic financing, technical liabilities and future financial risks reserves in Appendix C.

Reserves

16. The council retains a level of earmarked reserves and these are reported each year within the annual statement of accounts. These reserves are maintained to fund.
 - ‘invest to save’ opportunities, which form part of the modernisation agenda and are expected to deliver future on-going revenue savings
 - investment in regeneration and development where spend may be subject to unpredictable market and other factors.
 - exceptional items/pressures which are difficult to predict and which are not included in revenue budgets or within the capital programme.
17. There is a robust process for seeking support from reserves. The department must demonstrate that they are unable to contain the identified additional pressure within their existing budget, or provide evidence of prior agreement that the expenditure will be met from reserves.
18. A net total of £5.736m was drawn from reserves to support departmental budgets during 2014/15. Appendix B is a departmental analysis showing totals of sums drawn from and contributing to departmental and corporate reserves.
19. Cabinet will be asked to approve this funding support where the amount is £250k or above, all of the above are included within Appendix A.
20. Included in the reserve movements above are the following new corporate reserves:

	£'000	Funding Source
Southwark Scholarship Reserve	450	Transfer from youth fund
Southwark Emergency support Scheme (SESS)	3,100	£1,427 from welfare hardship fund. £1,673 from underspends on corporate budgets.

21. The budget approved by council for 2014/15 included a planned release of reserve of £6.213m. This call on reserves provided some flexibility in terms of budget setting and the savings that the council identified in the Policy and Resources Strategy 2014-17. This call on reserves has been made in full.
22. Additionally, a new reserve “the fair and valued treatment for employees and contractors” reserve was set up for £2.000m, and the remaining contingency of £2.226 (see paragraphs 14 and 15) was transferred to reserves.
23. After taking into account the £1.784m favourable variance, the total amount drawn down from reserves for 2014/15 was £5.940m.

Table 2: Summary of earmarked reserves

Summary of earmarked reserves	Balance as at 31/03/14 £'000	Net movement in reserves £'000	Balance as at 31/03/15 £'000
Corporate projects and priorities	11,219	5,647	16,866
Service reviews and improvements	29,816	(1,894)	27,922
Capital programme and other capital investment	31,898	(1,553)	30,345
Strategic financing, technical liabilities and future financial risks	37,785	(8,140)	29,645
Total	110,718	5,940	104,778

24. Corporate projects and priorities reserves are held to fund those future activities that will enable the council to function more efficiently and effectively. They include resources held to meet the cost of ongoing re-organisation and restructuring that the council must undertake to modernise and improve service levels and operational efficiency of Southwark's activities.
25. Service reviews and improvements represent resources held that can be directly linked to services provided.
26. Capital programme and other capital investment reserves are held to fund one-off expenditure that may be incurred over more than one year and by its nature is not appropriate to be included within annual revenue budgets, to facilitate the significant regeneration and development taking place in the borough. Projects include the Elephant & Castle, Canada Water, Southwark Schools for the Future, land acquisitions and other significant one-off costs associated with these projects.
27. Strategic financing, technical liabilities and future financial risks reserves are in the main held to mitigate against future financial risks that may arise. For example, taxation risks, legislative and funding changes including actions involving the Greater London Authority and other government bodies, risks as a result of unavoidable changes in accounting practice, and circumstances in so much as they represent uninsured risks. They also include balances that are held for technical accounting reasons as described above.

Direct revenue funding of capital

28. For accounting and control purposes, where it is proposed that reserves are released to meet capital expenditure, they are at first released into revenue and a direct contribution from revenue is then made to capital. When this occurs cabinet is asked to approve or note these contributions in Appendix A. In 2014/15 a total of £4.535m was used for this purpose, in addition to a further £1.682m from departmental budgets, giving a total of £6.217m.

Temporary Accommodation

29. Previous monitoring reports have alerted cabinet to the serious financial pressure presented by temporary accommodation costs. Demand for temporary accommodation has increased significantly during 2014/15 and continues to rise, whilst restrictions on the supply-side have necessitated the use of more expensive bed and breakfast accommodation. Private sector leased

accommodation is no longer financially viable for providers given the impact of welfare benefit reforms, and the availability of hostels and estate voids have been restricted, which has traditionally helped to ameliorate the impact through the HRA. As part of the council's budget planning, the risk was recognised and corporate funds earmarked for this purpose. It has been necessary to use £1.774m during 2014/15.

No Recourse to Public Funds

30. The final outturn for no recourse to public funds was £5.4m, after the planned use of £1.8m one-off council reserves, an adverse variance of £772k remained.
31. Currently, around 320 families are being supported. The rate of increase has been mitigated by the management action implemented, with more rigorous checks undertaken of new cases and existing ones being reassessed by officers including internal audit. As the no recourse budget includes the use of one-off reserves, there is a potential 2015/16 spending pressure.

Collection fund

32. The collection fund covers both council tax and business rate collection. The year end position shows a net surplus for Southwark of £312k, comprising of a council tax surplus of £4.475m (from a total surplus of £5.943m) and a business rates deficit of £4,163m (from a total deficit of 13,876m).

Authority	Council Tax		Business Rates		Total
	%	£'000	%	£'000	£'000
Southwark Council	75.3%	(4,475)	30	4,163	(312)
Greater London Authority	24.7%	(1,468)	20	2,775	1,307
Central Government			50	6,938	6,938
(Surplus) / Deficit		(5,943)		13,876	7,933

33. Southwark's share of the surplus / deficit is £2.590m less than the £2.902m surplus reported at quarter three, the reasons for this are as follows;

	£'000
Growth not yet put onto valuation list by valuation agency (VA), consequently unable to bill.	1,719
Increase in appeals.	1,443
Council tax surplus increase.	(572)

34. There may be a time lag between the occupation of a property and the property's inclusion on the valuation list. Once a property has been valued and has been included on the rating list, the bills can then be raised, and be back dated to the date of occupation.
35. With regard to the increase in appeals, appeals made after 1 April 2015 can only be backdated until 1 April 2015, whereas appeals made before 31 March 2015 can be backdated to 1 April 2010. As a consequence of this, some 1,500 appeals were received during pre 31/03/15, the average of the previous three quarters being around 100.

Public health

36. The Public Health outturn position was £228k favourable variance on a total budget of Public Health grant and CCG funding of £24.282m. This has been transferred to the ring-fenced Public Health reserve to support future Public Health budget commitments. As previously reported, sexual health continues to be a cost pressure which was mitigated in year by the use of the Public Health contingency. Commissioners for both sexual health services and substance misuse are continuing to review their approaches to commissioning and have made efficiencies through innovations such as on line sexual health testing (SH24) and joint commissioning arrangements.

Housing revenue account (HRA)

37. The housing revenue account (HRA) shows a positive variance for 2014/15, enabling earmarked reserves to be increased to a more sustainable level, additional revenue contributions to be made to support the investment programme and an accelerated repayment of internal borrowing in order to maximise borrowing headroom to support direct delivery and other capital works programmes. The need to spend on landlord responsibilities to manage, maintain and improve the housing stock remains constant and consumes the largest proportion of HRA resources. The adoption of an enhanced voids specification has driven up acceptance rates and transformed satisfaction levels to over 90%.
38. The cumulative rent debit raised was £236.5m, which was marginally higher than that budgeted, with collection at 99.66%. Leaseholder service charges, which are partly linked to levels of activity within the investment programme, totalled £37.2m against a collection target of £30m. On-going pressures include the continued transition towards componentised depreciation, which must be completed by April 2017.
39. The ring-fenced nature of the HRA requires that surpluses/deficits are carried forward between years and at 31 March 2015 HRA reserves stand at £25.9m, of which around three-quarters are specifically earmarked for investment in the stock alongside the modernisation and improvement of services. The remainder is held against unforeseen events in line with the medium-term resource strategy.

Savings

40. The £25.9m savings included in the 2014/15 budget have largely been achieved, the only reported slippages are as follows
- Children's and Adults' savings targets were £4.4m and £6.9m for 2014/15. Children's savings have been delivered. Adults' Services savings have slipped by £2.1m due mainly to delays in starting Learning Disability and Older people redesign work.
 - Environment and leisure department has in the main, achieved the proposed budgeted savings for 2014/15 with the exception of a £60k saving from centralising departmental procurement support. This is due to a delay in the implementation of an appropriate structure for procurement support for the department. The adverse variance resulting

from this has been offset by favourable variances elsewhere in the department.

Schools

41. The Dedicated Schools Grant (DSG) final outturn position was a favourable variance of £2.8m, on a final DSG allocation £193m (1.5%). The final position is in line with the projection at quarter three, mainly on budgets for funding of high needs arrangements in schools and other providers.
42. The Schools Forum agreed to ring-fence one-off two year old place and trajectory funding as the eligibility for free 15 hours education for two years olds is extended from September 2014. This funding will be based on actual participation from April 2015 and is to be used in future years to continue to increase capacity and support the two year old programme.
43. The Schools Forum will consider the application of the 2014/15 funds at the July 2015 Schools Forum meeting.

Treasury management

44. The council holds its cash in money market instruments diversified across major banks, building societies, and bonds issued by the UK government and supranational entities. The investment priorities are capital preservation and liquidity. The investments themselves are managed by an in-house operation and two investment firms. In the year to March 2015 the sum invested averaged £210m and the balance at 31 March 2015 stood at £165m.
45. The average return on investments in 2014/15 was 0.73% (0.69% 2013/14). Base rates here have been held at 0.50% since 2009 and monetary policy since then has intensified investors' search for yields, driving yields lower.
46. The council has balances remaining on long term loans to pay for investment in housing and general fund capital spend carried out many years ago when rates were high. The loans are all from the Public Works Loans Board (PWLB, the local authority lending arm of the government) at fixed rates. In 2014/15, £5.7m loans (all General Fund) fell for repayment and were paid off. The balance remaining on all PWLB loans at 31 March 2015 was £469m (£371m HRA and £98m General Fund).

Municipal Bond Agency

47. The Local Government Association has reported interest from up to 60 councils to launch a municipal bond agency as an alternative to the PWLB. The agency has around £4m in pledges to launch its first bond issue in 2015. The LGA itself is contributing £500,000. The council's own contribution is £200,000. The agency is looking to lend funds at a slightly lower rate than the PWLB. The terms will be fixed when the first bond is issued and potential borrowers will assess the benefits from any savings in the rate against any joint and several guarantee or other conditions the agency places. Any future borrowing the council needs will be from whichever source is the cheapest having regard to any conditions.

Community impact statement

48. This report monitors expenditure on council services, compared to the planned budget agreed in February 2014. Although this report has been judged to have nil or a very small impact on local people and communities, the expenditure it is reporting reflects plans designed to have an impact on local people and communities. Community impact was considered at the time the services and programmes were agreed. It is important that resources are efficiently and effectively utilised to support the council's policies and objectives.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Policy and Resources 2014/15 to 2016/17: Cabinet 28/01/14	160 Tooley Street PO Box 64529 London SE1P 5LX	John Braggins 020 7525 7489
Link: http://moderngov.southwark.gov.uk/documents/s43572/Report%20Policy%20and%20Resources%20Strategy%20201415%20to%20201617%20-%20Provisional%20Settlement.pdf		
Revenue monitoring report for Quarter 1, 2014/15, including Treasury Management : Cabinet 16 September 2014	160 Tooley Street PO Box 64529 London SE1P 5LX	John Braggins 020 7525 7489
Link: http://moderngov.southwark.gov.uk/documents/s48481/Report%20Revenue%20Monitoring%20Report%20for%20Quarter%201%20201415%20including%20Treasury%20Management.pdf		
Revenue monitoring report for Quarter 2, 2014/15, including Treasury Management : Cabinet 18 November 2014	160 Tooley Street PO Box 64529 London SE1P 5LX	John Braggins 020 7525 7489
Link: http://moderngov.southwark.gov.uk/documents/s49971/Report%20Q2%20Revenue%20Monitoring.pdf		
Revenue monitoring report for Quarter 3, 2014/15, including Treasury Management : Cabinet 10 February 2015	160 Tooley Street PO Box 64529 London SE1P 5LX	John Braggins 020 7525 7489
Link: http://moderngov.southwark.gov.uk/documents/s51819/Report%20Revenue%20monitoring%20Q3.pdf		

APPENDICES

No.	Title
Appendix A	Budget movements to be approved, £250k and above and movements to be noted.
Appendix B	Movements to and from corporate and departmental reserves in 2014/15
Appendix C	Movements in reserves: extract from draft Statement of Accounts 2014/15.

AUDIT TRAIL

Cabinet Member	Councillor Fiona Colley, Finance, Modernisation and Performance		
Lead officer	Duncan Whitfield, Strategic Director of Finance and Corporate Services		
Report author	Jennifer Seeley, Deputy Finance Director		
Version	Final		
Dated	10 July 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		N/a	N/a
Cabinet Member		Yes	Yes
Date final report sent to constitutional team			10 July 2015

Budget Movements**APPENDIX A****Interdepartmental movements to be approved for Quarter 4**

Department from	Amount £	Department to	Amount £	Reason
Children's and Adult Services	(3,406,230)	Finance and Corporate Services	3,406,230	School Balance Movements 2014/15
Finance and Corporate Services	(1,774,000)	Environment and Leisure	1,774,000	Use of contingency to fund Temporary accommodation budget pressures.
Finance and Corporate Services	(1,763,356)	Children's and Adult services	752,231	Youth fund allocation to match spend in 2014/15
		Chief Executive	1,011,125	
Finance and Corporate Services	(1,577,191)	Children's and Adult Services	1,577,191	Unallocated corporate Better Care Fund Transition and NHS Transfer monies transferred to Adult services to match expenditure on Winters Pressure 2014/15.
Finance and Corporate Services	(1,136,727)	Children's and Adult Services	1,136,727	Use of 2013/14 additional Public Health Grant to fund Free Healthy School Meals and Free fruit
Finance and Corporate Services	(300,000)	Environment and Leisure	300,000	Support for the Community Safety division to deliver the Southwark Violent Crime Strategy 2010-15
Finance and Corporate Services	(250,000)	Environment and Leisure	250,000	Release of funds to meet Southwark's costs incurred as Lead Local Flood Authority (LLFA) responsibilities to manage local flood risk

Interdepartmental movements to be noted for Quarter 4

Department from	Amount £	Department to	Amount £	Reason
Children's and Adult Services	(67,408)	Finance and Corporate Services	67,408	Asset Rent charge correction on Talfourd Place
Finance and Corporate Services	(32,240)	Environment and Leisure	32,240	Tree pruning activities carried out from April 2014 to March 2015.
Chief Executive's	(25,392)	Environment and Leisure	16,331	Annual transfer of community council / planning sub-committees commissioned departmental activities.
		Finance and Corporate Services	9,061	

Direct revenue funding of capital - to be approved for Quarter 4

Department from	Amount £	Department to	Amount £	Reason
Children's and Adult Services	(1,615,158)	Direct revenue funding of capital	1,615,158	C&A Schools Capital Virement 14/15
Appropriations	(1,334,184)	Direct revenue funding of capital	1,334,184	Modernisation – Carefirst Computer system
Appropriations	(1,315,500)	Direct revenue funding of capital	1,315,500	Blackfriars Rd project
Appropriations	(1,277,838)	Direct revenue funding of capital	1,277,838	Walworth Rd Re-instatement
Appropriations	(264,200)	Direct revenue funding of capital	264,200	Barbara Hepworth sculpture replacement

Direct revenue funding of capital - to be noted for Quarter 4

Department from	Amount £	Department to	Amount £	Reason
Appropriations	(150,000)	Direct revenue funding of capital	150,000	Municipal Bonds agency
Appropriations	(80,000)	Direct revenue funding of capital	80,000	Dr Salter replacement statue
Appropriations	(68,700)	Direct revenue funding of capital	68,700	Parking capital reserve
Finance and Corporate Services	(60,228)	Direct revenue funding of capital	60,228	Funding of costs associated with the re-instatement of Charlotte Shearman Lodge following fire damage in 2013
Appropriations	(44,223)	Direct revenue funding of capital	44,223	Upgrade and Refurbishment of Essential CCTV

Net movements in reserves to be approved for Quarter 4

Department from	Amount £	Department to	Amount £
Appropriations	(4,996)	Children's and Adult Services	4,996
Appropriations	(2,450)	Environment and Leisure	2,450
Housing and community Services	(135)	Appropriations	135
Public Health	(228)	Appropriations	228
Finance and Corporate Services	(4,135)	Appropriations	4,135
Contingency	(2,226)	Appropriations	2,226

Movements to and from reserves in 2014/15

Department	Total taken from reserves £'000	Total added to reserves £'000	Net movement £'000
Children's and Adults Services (Core)	(7,830)	3,135	(4,695)
DSG funded services	(4,387)	4,086	(301)
Total Children's and adults services	(12,217)	7,221	(4,996)
Environment and Leisure	(3,700)	1,250	(2,450)
Housing and Community Services	(145)	280	135
Public Health	0	228	228
Chief Executive's department	(1,613)	825	(788)
F&CS (excl. Corporate)	(4,246)	827	(3,419)
Corporate budgets	(1,974)	14,063	12,089
Capital	(4,535)	0	(4,535)
Total Finance and Corporate Services	(10,755)	14,890	4,135
Contingency	0	2,226	2,226
Total	(28,430)	26,920	(1,510)
Budgeted use of reserves to support 2014/15 revenue budget	(6,213)	0	(6,213)
Total Reserve Movements at outturn (Table 1)	(34,643)	26,920	(7,723)
Transfer of favourable variance to reserves	0	1,783	1,783
Total Movement in reserves (Table 4)	(34,643)	28,707	(5,940)

MOVEMENT IN RESERVES**APPENDIX C**

(extract from the draft statement of accounts 2014/15)

1. CORPORATE PROJECTS AND PRIORITIES

	Balances as at 31 March 2014	Net movement in reserves	Balances as at 31 March 2015
	£000	£000	£000
Modernisation, service & operational improvement	2,287	2,823	5,110
Fair and valued treatment of staff	-	3,707	3,707
Southwark emergency support scheme	-	3,100	3,100
Contract realignment (low paid staff)	1,052	-	1,052
Welfare hardship fund	1,401	(601)	800
Business support fund	952	(227)	725
Southwark scholarship scheme (including Youth Fund)	1,228	(763)	465
Community engagement & Links development	297	131	428
Voluntary sector transition fund	581	(190)	391
Internal audit & anti fraud	356	-	356
Artefacts replacement & security reserve	527	(344)	183
Revenue grants	100	64	164
Neighbourhood fund	-	149	149
Community safety schemes	750	(644)	106
DWP community budget	-	100	100
Community restoration fund	30	-	30
Employment support	1,206	(1,206)	-
London living wage	275	(275)	-
Cleaner Greener Safer	145	(145)	-
Other reserves individually less than £100k	32	(32)	-
Total	11,219	5,647	16,866

2. SERVICE REVIEWS AND IMPROVEMENTS RESERVES

	Balances as at 31 March 2014	Net movement in reserves	Balances as at 31 March 2015
	£000	£000	£000
Dedicated schools grant reserve	15,348	(1,921)	13,427
Learning disability & social care reform	3,748	(798)	2,950
Public Health	1,512	229	1,741
Childcare Provision for under 2 year olds	-	1,526	1,526
Organisational development	1,337	(185)	1,152
Cycling Safety	800	200	1,000
OT clients adaptations	886	-	886
Highways	-	746	746
Special Education Needs & Disabilities grants	-	739	739
Local flood risk	328	300	628
Highways winter maintenance	576	-	576
Children's Services restructure	440	-	440
HR transformation	517	(123)	394
Managed accounts	451	(100)	351
Children's & Families Bill	300	-	300
Workforce development (adults services)	222	-	222
School improvement	200	-	200
Member development	182	-	182
General litigation costs	172	-	172
Environmental health & community safety	142	-	142
Blackfriars trust allocation	138	-	138
SSF PFI equalisation St Michael's	60	60	120
Prevention of illegal tobacco distribution	120	(29)	91
Education Standards	156	(80)	76
Youth service	70	-	70
Early Years Review	300	(240)	60
Ofsted inspection	200	(150)	50
Interserve employment project	50	-	50
Street trading account	(635)	113	(522)
Other reserves individually less than £100k	15	-	15
Early intervention pilot	515	(515)	-
Management and administration of elections	409	(409)	-
Homelessness	403	(403)	-
Leisure Management	150	(150)	-
SEN/Learning difficulties	140	(140)	-
Schools condition survey	137	(137)	-
Street trading	110	(110)	-
Signage	108	(108)	-
SAP HR systems development	100	(100)	-
SALIX energy efficiency	61	(61)	-
SELHP closedown	48	(48)	-
Total	29,816	(1,894)	27,922

3. CAPITAL PROGRAMME AND OTHER CAPITAL INVESTMENT RESERVES

	Balances as at 31 March 2014	Net movement in reserves	Balances as at 31 March 2015
	£000	£000	£000
Modernisation, service & operational improvement	4,132	(2,349)	1,783
Aylesbury development	6,441	-	6,441
Planned preventative maintenance & building compliance	6,948	(1,036)	5,912
IT and customer service development	3,171	-	3,171
Regeneration & development	4,345	(1,510)	2,835
Capital contingency	2,204	165	2,369
Schools capital programme contribution	-	2,193	2,193
BSF PFI transition	1,349	517	1,866
Contracts realignment (capital)	1,396	-	1,396
Schools sprinkler systems	-	750	750
New homes bonus grant capital allocation	704	-	704
Exchequer services development	550	-	550
Legal case management system	300	-	300
Canada Water	-	75	75
Parking capital projects	152	(152)	-
Carefirst procurement	125	(125)	-
Resource centre	81	(81)	-
Total	31,898	(1,553)	30,345

4. STRATEGIC FINANCING, TECHNICAL LIABILITIES AND FUTURE FINANCIAL RISKS RESERVES

	Balances as at 31 March 2014	Net movement in reserves	Balances as at 31 March 2015
	£000	£000	£000
Planned contribution to support General Fund budget 2014/15	6,213	(6,213)	-
Planned contribution to support General Fund budget 2015/16	-	6,163	6,163
Insurance	9,086	(2,637)	6,449
Interest and debt equalisation	4,000	-	4,000
Waste PFI equalisation reserve	5,501	(1,609)	3,892
Business rate retention risk	2,500	-	2,500
Future Government funding risk reserve	1,900	-	1,900
Social care demand pressures	4,617	(2,813)	1,804
Financial risk & future liabilities	320	756	1,076
Council tax and housing benefits subsidy equalisation	1,000	-	1,000
Legal and contractual risks	1,804	(1,091)	713
Schools in financial difficulties, schools closures and academies	482	(150)	332
Auto enrolment	500	(500)	-
Queen's Road lease smoothing	(138)	(46)	(184)
Total	37,785	(8,140)	29,645

5. NOTES ON MAJOR RESERVES

- 5.1. Modernisation, service and operational improvement reserve. This reserve is for one-off expenditure that may be incurred over more than one year on projects that are designed to modernise and improve service levels and operational efficiency of the council's activities. By its nature it is not appropriate for the costs of these projects to be included within annual revenue budgets. Schemes will range across all council services but will be especially relevant for transformational priorities such as information technology, customer services and accommodation strategies. Schemes funded by this reserve may be of either a capital or revenue nature.
- 5.2. Regeneration and development reserve. This reserve is to fund one-off expenditure that may be incurred over more than one year and by its nature is not appropriate to be included within annual revenue budgets, to facilitate the significant regeneration and development taking place in the borough. Projects include the Elephant & Castle, Canada Water, Southwark Schools for the Future, land acquisitions and other significant one-off costs associated with these projects. Schemes funded by this reserve are predominantly of a capital nature.
- 5.3. Financial risk and future liabilities reserve. This reserve is set aside against future financial risks that may arise. For example, taxation risks, legislative and funding changes including actions involving the Greater London Authority and other government bodies, risks as a result of unavoidable changes in accounting practice, and circumstances in so much as they represent uninsured risks.

6. SCHOOLS BALANCES

	Balances as at 31 March 2014	Net movement in reserves	Balances as at 31 March 2015
	£000	£000	£000
Funds held by schools	16,811	1,688	18,499
Funds held by nursery schools	243	(101)	142
Funds held by pupil referral units	236	415	651
Total	17,290	2,002	19,292

Item No. 19.	Classification: Open	Date: 21 July 2015	Meeting Name: Cabinet
Report title:		Response to Recommendations on Commissioning and Procurement at Southwark Council (Overview & Scrutiny Committee)	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Fiona Colley, Finance, Modernisation and Performance	

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

Southwark Council has more than 400 contracts for the provision of goods and services to the Council. These range from a few thousand pounds to buy hanging baskets in Peckham all the way up to the 25 year PFI waste management contract with an estimated value of £665m over its lifetime.

It's important that as a council we procure and manage our contracts well to ensure we get value for money and high quality goods and services for our residents.

However, our buying power can achieve more than this. As the Overview & Scrutiny report highlighted, the 2012 Social Value Act allows us to take a wider view on the benefits being offered by bidders for council contracts. We already require companies to pay the London Living Wage and seek local employment and apprenticeship opportunities in larger contracts. The proposal from OSC that we should develop a council wide approach on Social Value that reflects our Fairer Future values is timely and welcome.

At the same time I am mindful that applying for local authority business can be a time consuming, cumbersome and costly process with no guarantee of success. For large and multi-national companies, who do a lot of business with local authorities, this is simply a cost of doing business and a system they are experienced with working in. For smaller companies and voluntary sector organisations, deciding to bid for a local authority contract is a huge and even risky decision. We need to take care as we develop our Fairer Future approach that we create a system that makes it easier rather than harder for local firms and VCS groups to bid and succeed.

So today I recommend that we take forward the OSC proposal for a new Fairer Future Procurement Strategy and also commit that we will take care to develop the detail of this strategy in consultation with VCS groups and local business.

However, there is another recommendation that we will take forward immediately. OSC were right to observe the importance of the right level of political involvement at the right time. We share their view that Cabinet Members should be deciding not just how a contract will be procured or reprocured, but whether it should be out-sourced at all. In recent years we have had significant success with in-sourcing previously outsourced services such as Customer Services and Revenues & Benefits. In-sourcing won't always be possible or the best choice, but it should always be explored as a serious option and new "gateway zero" reports to Cabinet Members will ensure this happens.

RECOMMENDATIONS

1. That the cabinet agree the proposed response to the Overview and Scrutiny Committee's review of Commissioning and Procurement at Southwark Council.
2. That the cabinet agree to the development of a new Fairer Future Procurement Strategy.

BACKGROUND INFORMATION

3. The overview and scrutiny committee undertook an investigation into commissioning and procurement at Southwark, and agreed their report on 18 January 2015.
4. The recommendations of the review were presented to cabinet on 10 February 2015 with a request for the relevant cabinet member to bring back a report to respond to the recommendations provided.
5. The report therefore provides a proposed response to the recommendations to be approved by cabinet.

KEY ISSUES FOR CONSIDERATION

Recommendation 1: A new Southwark "Fairer Future" Commissioning and Procurement Strategy

6. Cabinet support the recommendation to develop a new Fairer Future Procurement Strategy.

Recommendation 2: "Gateway zero" reports for all large scale commissioning processes.

7. Cabinet support the recommendation for a report prior to a Gateway 1 which explores the options and makes the case for the preferred mode of delivery (e.g. in-house, private sector, voluntary or community sector, shared service) and considers the broad methods by which a service is to be delivered (e.g. single provider/framework of providers etc.)
8. These reports will be for high value services above £10m in value and would exclude all capital investment works. This would also apply where requested by the relevant cabinet member.
9. The reports should also set out how the commissioning decision will address social value clauses, such as London Living Wage, apprenticeships, local employment and environmental impact.

Recommendation 3: "Gateway zero" decisions reserved for Cabinet Members

10. This recommendation follows from recommendation 2. The constitution would need to be updated to identify the decision making route for "Gateway zero" reports. For other gateway reports the contract standing orders identify the value and other factors which determine where decisions on contracts are reserved for cabinet or for individual cabinet members (IDM).

Recommendation 4: Pre-Scrutiny for “Gateway Zero” reports

11. All forthcoming gateway zero decisions will be included on the Forward Plan and cabinet members will attend pre-scrutiny sessions on request from OSC. The availability of reports will be dependant on meeting dates.

Recommendation 5: Lower Contract thresholds

12. Cabinet agree it is important to have the right political input at the right time and there may be cases where this has not happened. Contract value thresholds are one element of the need for political oversight, along with, for example, decisions to in-source, new outsourcing decisions, services provided to vulnerable people, the nature of the organisation to be awarded work, and the length or conditions of the contract.
13. Cabinet believes that the current thresholds in value, accompanied by the requirement to refer strategic procurement decisions to cabinet, are sufficient to meet the objective of oversight of this spending. There is visibility of contracts through the publication of upcoming cabinet decisions and decisions on contracts to be made by delegated authority by chief officers as part of the council's forward plan, and on the council's consolidated contracts register.

Recommendation 6: In-house as “preferred provider”

14. The council has a good record of bringing previously outsourced services in house to secure improvements in service quality and value for money. However, this will not always be the right option to ensure we deliver value for money, high quality services. We will consider this recommendation further as part of the development of the Fairer Future Procurement Strategy. In-house as preferred provider would not always mean all services are delivered in-house, for operational, statutory or business reasons. It is recognised that there will always be some goods, works and services contracts which can only be obtained through external contracts: for example services ranging from furniture acquisition to banking services to communications networks.

Recommendation 7: Departmental Contract Review Boards

15. Cabinet notes that all chief officers are committed to the proper scrutiny of contract proposals in their departments. Where a meeting is the most effective way of achieving this then the practice will be continued. The Procurement Advice Team will prepare a note to assist chief officers in standardising the DCRB process across all departments.

Recommendation 8: Using the Public Services (Social Value) Act 2012 – Jobs and apprentices

16. This recommendation builds on the Fairer Future promise to create 2,000 new apprenticeships and to make sure Southwark residents benefit from new jobs and apprenticeships. Cabinet agree that a target should be set for the number of apprenticeships and the number of jobs created by each £1 million of our procurement spending. These targets should be set on an annual basis along with a report on progress towards meeting those targets in the previous year. Consideration will also be given to how the council can help Southwark residents to take advantage of apprenticeships, including targeted advertising and training.

Recommendation 9: Using the Public Services (Social Value) Act 2012 – other social clauses

17. The use of the Public Services (Social Value) Act offers an important opportunity to achieve more from the council's spending on services. However any social value issues must be considered on a case by case basis and are subject to EU procurement directives and general local authority legislation. Cabinet agree that other social value issues will be considered as part of the new Fairer Future Procurement Strategy.

Recommendation 10: Standard contract clauses

18. Cabinet note that most contracts currently include the following provisions:
 - 'Termination at will' clauses for major works contracts
 - Break clause allowing Southwark to conclude a contract should the ownership of contractor change during the life of a contract
 - Prompt payment of sub-contractors – is a requirement of the new EU Regulations (PCR15) and already included in many contracts. Where this requirement is absent it is implied by the Late Payment of Commercial Debts Regulations.
19. There are some low value contracts or contracts with SME where compliance with additional conditions may be considered too onerous or deter bidders. Many contracts include a requirement to comply with council policies but the following could be added as specific requirements:
 - requirement for contractors to have a whistleblowing policy which meets requirements of the Public Interest Disclosure Act
 - Open book audits of contract accounts on request
 - Attendance at council committees such as cabinet or scrutiny by contractors on request

Recommendation 11: Openness and transparency for contracts

20. Cabinet notes that since the OSC considered procurement matters there have been changes in the law around local government contracts. These include the requirement that contract opportunities are published on an external portal "Contracts Finder". Current CSO require that Chief Officers record all contracts on a departmental contract register. The council publishes a list of current contracts and invitations to tender on its website which is updated quarterly and includes details of the provider, SME or charitable status, and London Living Wage.
21. There may be situations where an early termination may be subject to negotiation and a confidentiality agreement which would not allow certain information to be freely circulated to residents (and this might be the only way an exit can be agreed if the contract does not allow).

Recommendation 12: Codifying engagement with Cabinet Members

22. Cabinet note that the council's Contract Standing Orders do not require consultation with cabinet members in respect of some procurement decisions.

23. Cabinet believe that the necessary oversight of contract decisions can be achieved by cabinet members through discussions with Chief Officers based on information in the council's forward plan, and on the council's consolidated contracts register.

Recommendation 13: Updating Contracts register

24. Cabinet notes that each department has an individual responsible for collating the departmental register, and that the Procurement Advice Team produces the consolidated register every quarter and now includes information on the London Living Wage. The new requirement to publish all contracts in excess of £25,000 on Contracts Finder will assist with transparency.

Recommendation 14: Update Community and Voluntary Sector Compact

25. Cabinet recognise that many organisations in the Voluntary and Community sector (VCS) provide valuable services to the Southwark residents and the council. Relationships with the VCS are subject to the VCS rules of engagement in the VCS compact. The Cabinet Member for Finance, Modernisation and Performance, along with the Cabinet Member for Communities and Safety will meet with CAS to discuss recognition of the VCS as a partner in service delivery.

Recommendation 15: Standardising commissioning and procurement

26. Cabinet notes that the Procurement Advice Team is recruiting a new Head of Procurement and other team members and that this recommendation follows the full implementation of recommendation 1.

Recommendation 16: Consultation with recognised trade unions

27. Cabinet values the input of the recognised trades unions which has been especially helpful around the development of the London Living Wage commitment and Ethical Care Charter. Cabinet notes that upcoming cabinet decisions and decisions on contracts to be made by delegated authority by chief officers are published as part of the council's forward plan. The publication of information on Contracts Finder allows for:

- notice that a procurement process is to commence
- a timetable for the process
- access to tender documentation

28. Cabinet notes that the council abides at all times with the Transfer of Undertakings (Protection of Employment) Regulations 2006 (as amended from time to time) implementing the Acquired Rights Directive on the acquired rights of workers. Further consultation with trades unions can be considered as part of the development of the Fairer Future procurement strategy.

Recommendation 17: Protecting the workforce

29. When the council renews contracts or outsources services to the private or voluntary sector the following workforce issues must be considered and applied on a case by case basis as allowed by EU procurement, local government and other relevant legislation:

- Payment of the London Living Wage
- Pension provision
- The transfer and treatment of staff under TUPE
- Terms and conditions including sick pay, training and provision of equipment

30. Further consideration will be given to updating the suite of legal documentation to include trade union recognition and a requirement for an offer of guaranteed hours in any such transfers.

Recommendation 18: Small and medium sized enterprises included on tender lists

31. CSO require seeking tenders from local suppliers for goods and services from £5-£75k. SMEs interested in working with the council are directed towards Contracts Finder. Recent changes in procurement regulations require consideration be given to encouraging bids from SMEs and officers are therefore required to consider dividing contracts into lots and we may determine the size and subject-matter of those lots.

Recommendation 19: Social Value: Gender Pay Gap and Pay Differentials

32. Cabinet agree that all contractors should abide by existing legislation in these areas, and pay differentials can be considered as we develop the Social Value policies in the Fairer Future Procurement Strategy.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Overview & Scrutiny Committee Agenda 19 January 2015	Scrutiny Team Southwark Council 160 Tooley Street London SE1 2QH	Julie Timbrell 020 7525 0514
http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=308&MId=4900&Ver=4		
Overview and scrutiny recommendations report to cabinet	Constitutional Team Southwark Council 160 Tooley Street London SE1 2QH	Paula Thornton Paula.thornton@southwark.gov.uk 020 7525 7055
http://moderngov.southwark.gov.uk/documents/s51814/Report%20Overview%20and%20scrutiny%20recommendations.pdf		

AUDIT TRAIL

Cabinet member	Councillor Fiona Colley, Finance, Modernisation and Performance		
Lead Officer	Duncan Whitfield, Strategic Director of Finance and Corporate Services		
Report Author	Jennifer Seeley, Deputy Finance Director		
Version	Final		
Dated	10 July 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 of Finance and Corporate Services	Yes	Yes	
Chief Officers	Yes	Yes	
Cabinet Member	Yes	Yes	
Date final report sent to Constitutional Team			10 July 2015

Item No. 20.	Classification: Open	Date: 21 July 2015	Meeting Name: Cabinet
Report title:		Appointments to Outside Bodies 2015/16 – Better Bankside Board	
Ward(s) or groups affected:		N/a	
From:		Proper Constitutional Officer	

RECOMMENDATIONS

1. That cabinet consider and agree a nomination to the Better Bankside Board for the 2015/16 municipal year.

BACKGROUND INFORMATION

2. Cabinet considered and agreed appointments to outside bodies for the 2015/16 municipal year at its meeting on 2 June 2015. Cabinet deferred the nomination relating to the Better Bankside Board.

KEY ISSUES FOR CONSIDERATION

Better Bankside Board

3. The Better Bankside is a Business Improvement District. Its aim is to make Bankside a thriving place to work, live and visit. The directors of its board are drawn from member businesses, along with other stakeholders including landowners, residents' groups and public bodies. The board meets every six weeks to review progress.
4. The Southwark nomination can be a councillor or an officer. The representative has voting rights.

Legal implications

5. Appointments to some of the outside bodies may carry risk both corporately and to the individuals appointed. Standards Committee at its meeting on 9 November 2011 approved 'Guidance to Members who serve on Outside Bodies' which is intended to help councillors understand their duties when appointed to outside bodies, and how to handle conflicts of interest that may arise. The guidance is available in the Library on the council website.

Community impact statement

6. The council is being invited to make a nomination to an outside body. The nominations process has no direct impact on the community.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

APPENDICES

No.	Title
None	

AUDIT TRAIL

Lead Officer	Ian Millichap, Proper Constitutional Officer		
Report Author	Everton Roberts, Principal Constitutional Officer		
Version	Final		
Dated	9 July 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	
Date final report sent to Constitutional Team		9 July 2015	

Item No. 21.	Classification: Open	Date: 21 July 2015	Meeting Name: Cabinet
Report title:		Development Proposals to the Eagle Wharf Site, London, SE15	
Ward(s) or groups affected:		Peckham Ward	
Cabinet Member		Councillor Mark Williams, Regeneration and New Homes	

FORWORD – COUNCILLOR MARK WILLIAMS, CABINET MEMBER FOR REGENERATION AND NEW HOMES

The regeneration of Peckham has seen significant investment in new homes, new public facilities like Peckham Library, and open spaces. We now have the opportunity to build on this progress and further enhance Peckham, and Southwark's, burgeoning creative and cultural sectors. This paper sets out the council's intention to enter into agreement with Mountview Academy of Theatre Arts and bring them to Eagle Wharf. Mountview have 70 years of experience in providing high quality training for actors, directors, and theatre technicians for stage, TV, film and radio. They are one of the best classical and musical theatre schools in the country. In addition they have a significant programme of activities and opportunities which will be open to and directly benefit our local residents and young people.

We are committed to the ongoing regeneration of Peckham, this includes new homes of all kinds – including new council homes, further improvements to public spaces, and bringing jobs and investment into the area. The proposals to bring Mountview to Peckham will support the work being undertaken by Carl Turner Architects to enliven the library square.

Bringing a vibrant cultural use to a key site in the heart of Peckham will bring new opportunities and facilities for local residents, but will also allow existing local cultural and creative organisations and groups to collaborate and extend their work. This report sets out the heads of terms for the council to enter into detailed discussions with Mountview, with the aim of signing a final agreement in September this year.

RECOMMENDATIONS

That the Cabinet

1. Approves the proposals to grant a long leasehold interest in the Eagle Wharf site, Peckham, SE15 to Mountview Academy of Theatre Arts, together with associated development funding arrangements as set out in the closed report.
2. Approves the draft Head of Terms and finance arrangements set out in the closed report.
3. Delegates to the director of regeneration powers to negotiate and agree terms relating to the lease and financial arrangements.

BACKGROUND INFORMATION

4. In November 2014 the council adopted the Peckham and Nunhead Area Action Plan. The council is committed to delivering this vision which will deliver on the Fairer Future promise to bring the benefits of regeneration to all.
5. The council have been widely consulting the communities in Peckham about proposals to improve Peckham Square. A further round of consultation on the scheme is proposed to take place in July which will include options to take forward to planning.
6. Eagle Wharf occupies an important site adjacent to Peckham Square and Peckham Library and presents an opportunity to significantly increase the area's focus as a cultural centre and fulfil its potential.
7. The council have an opportunity to work with Mountview Academy of Theatre Arts to develop the site. Mountview is one of the leading drama schools in the country with a long-standing and international reputation for providing the highest quality training to actors, musical theatre performance, directors and theatre technicians. They have been operating since 1945 and currently offer courses to achieve BA and MA qualifications to students aged 18 and over as well as foundation courses. Students benefit from intensive practical training with experienced staff and also with current theatre practitioners. They work to create significant opportunities for people of all ages and backgrounds.
8. Mountview Academy is currently located in Haringey. There are over 400 full time students and a further 300 attending the short courses. 120 members of staff are employed.
9. By relocating to Peckham, the Academy will benefit from being in a central town location and operating from a bespoke building that meets all of their requirements. Mountview have the opportunity to make a presence in Peckham and extend their current offer to enhance their prestigious reputation for providing the highest quality musical theatre, classical acting and theatre production arts training.
10. The move also provides opportunities for Mountview to grow, which is important as the school is committed to further extending their offer which includes an extensive range of courses, outreach work and activities that will be available for the local community.
11. Local residents will benefit from enhanced learning, cultural, leisure and employment opportunities. The development is expected to contribute to the overall regeneration of the area by:
 - Bringing greater momentum to the regeneration of Peckham and attracting future investment
 - Contributing to the completion of the development of Peckham Square to help it reach its potential
 - Providing an active frontage to Surrey Canal Walk
 - Extending the educational offer in the borough
 - Contributing to the borough's cultural strategy
 - Contributing to the borough's health and well-being agenda
 - Bringing a leading UK and internationally respected school to the borough

- Bringing wider place-making benefits to the town centre

KEY ISSUES FOR CONSIDERATION

12. The proposal will enable the construction of a bespoke building for educational, commercial and leisure use. A massing study has been carried out and indicates that the site can accommodate the academy's requirements along with a variety of complementary commercial uses, which will cross subsidise the building and running costs.
13. The building is in a prominent and central location on the border of two conservation areas and behind Peckham Library. The site boundary and location are shown in Appendix 1.
14. An initial view from planning officers has indicated that the principal massing, siting of the building and proposed uses are acceptable. The council expects there to be a scheme of high quality design that provides a positive contribution to the character or appearance of the conservation areas. There will be further consultation with planning officers in order to develop the designs prior to submitting a planning application.
15. Construction options are being considered to facilitate a time and cost efficient build that will enable the school to move in by summer 2018. Initial community consultation is expected to start in July 2015 as part of a wider discussion on the options for Peckham Square. The scheme will then be subject to further local consultation as well as the usual statutory consultation as part of the planning process.
16. Mountview currently offer full and part time foundation, BA and MA courses. They are committed to extending their educational offer where possible to include apprenticeships and programmes for over 16's.
17. The community offer will also be substantially extended from the current arrangements, and will include:
 - Community evening, weekend and summer drama classes and productions
 - School and library outreach sessions
 - Collaboration with partners and community organisations locally and across the borough
 - A range of dance classes for all ages
 - A range of community fitness, health and wellbeing classes for all ages
 - Emerging talent competitions, access to bursaries/subsidies for local people to attend courses (subject to negotiations on CIL).

Commercial principles

18. The Heads of Terms (attached in the closed report) which are subject to negotiation set out the principles of the land transaction and financial arrangements. The freehold will be retained by Southwark Council and Mountview will take a long leasehold interest of the land. The lease is conditional upon a satisfactory planning consent being secured, the cost of the project and financial viability.

Timetable

19. The timetable to practical completion of the build is set out below.

Completion of agreement for lease:	September 2015
Completion of loan agreement:	September 2015
Satisfactory planning permission achieved:	January 2016
Completion of lease no later than:	1 April 2016
Practical completion target date:	1 Jan 2018
Practical completion longstop date:	1 May 2018

Financial arrangement

20. The details of the financial arrangement are set out in the closed report.

Legal considerations

21. The legal considerations are set out in the closed report.

Key/Non Key decisions

22. This report deals with a key decision

Policy implications

23. The council is committed to revitalising neighbourhoods, making them places in which we can all be proud to live and work. The project supports the Fairer Future promise to invest in Peckham town centre to support arts and business.
24. The development plan for the borough consists of the Mayor's London Plan, the Core Strategy 2011, the Southwark Plan policies, and area action plans.
25. Eagle Wharf is owned by the council and it is a key development site identified within the Peckham and Nunhead Area Action Plan for mixed use. Any future proposals for the development of the site will be in line with all planning policy.
26. Agreement is subject to confirmation that the transaction represents best consideration under s. 123 of the Local Government Act 1972.

Plans for monitoring and management of the agreement

27. The proposal is subject to

- Viability
- Intrusive site investigations/survey
- Any board or committee approvals
- A satisfactory planning consent.

28. The Heads of Terms will include clear longstop dates, milestones and deliverables in terms of the implementation of the development including obtaining planning consent and constructing the new buildings. Management of this will be dealt with by the Property team.

Community impact statement

29. The council is mindful of its public sector equality duty and attempts to mitigate the impact upon those individuals and groups whose protected characteristics, as defined by the Equalities Act 2010 fall within one or more categories described as 'protected groups':
30. The site has been empty for five years and not accessible to the public. By bringing it back into use for educational, leisure and cultural uses, this proposal has a positive implication for all sections of the community.
31. Mountview is committed to a comprehensive policy of equal opportunities for their students. The Equality and Diversity Policy is available on their website <http://www.mountview.org.uk/landing-pages/landing-pages/policies.html>.
32. As outlined above, along with the formal studies, there will be an extensive programme of courses, activities and events that significantly extends the availability of leisure, cultural and educational services in the area. A number of these services will be accessible to all sectors of the community (subject to negotiations on CIL).
33. In addition, Mountview propose to work with organisations within the cultural and commercial and voluntary sector to engage with people of all ages, cultures and abilities. There will be outreach sessions in schools, libraries and open spaces.

Economic considerations

34. The relocation of Mountview Academy to Peckham is expected to give economic benefits to the borough by way of increased job opportunities, apprenticeships, access to training bursaries/subsidies and enhanced further and higher educational offer in the borough (subject to negotiations on CIL).

Social considerations

35. Mountview Academy welcomes students from all sectors of the community. It is noted that the offer includes access to annual bursaries/subsidies available to the local community (subject to negotiations on CIL).

Environmental considerations

36. As part of the planning application, the developer will be required to submit a suite of detailed surveys and reports setting out how the new development will impact, mitigate and improve the existing environmental condition. The environmental and streetscape improvements from the development will assist the council's Cleaner, Greener, Safer agenda.

Market considerations

37. Mountview Academy has a proven track record of delivering specialist performance arts qualifications. They enjoy a prestigious status within the arts industry and are a unique provider of higher education.

Staffing implications

38. The construction project will be managed by Mountview Academy, and Regeneration South will meet regularly with Mountview's project manager over the design development of the scheme prior to the planning submission. Governance arrangements are to be agreed.
39. The financial arrangement will be monitored against the agreed programme, key milestones, risks and deliverables and staffed within existing resources within the regeneration division.

Financial implications

40. The financial implications are set out in the closed report.

Legal implications

41. The lease agreement will be negotiated with advice from the council's legal team and specialist legal experts.

Consultation

42. Consultation has taken place with the Leader of the council and cabinet members for Regeneration and New Homes and Finance, Modernisation and Performance. All members are in support of the proposals.
43. The council's statutory director of children's services (including education) supports the proposal. Higher education for young people in the borough would be enhanced by Mountview Academy of Theatre Arts' expanded offer as set out in para 13. The proposal is consistent with our ambition to improve the quality of education in the borough and to secure access for Southwark young people to specialist high quality education in areas that are directly linked to employment opportunities.
44. The council's arts service supports the Mountview proposal, which both enhances and complements the existing arts and cultural provision in the local area. The proposal presents many opportunities for collaboration with other long established local providers, such as Theatre Peckham, to expand the portfolio of activity for Southwark's young people and emerging talent. This could be achieved through a number of ways, for example: shared use of theatre and learning facilities; co-creating new work; work placements for students; and progression routes for young people into higher education.
45. This proposal aligns with Southwark's cultural strategy in the following ways:
 - Delivering high quality engagement programmes and opportunities for local people to participate in high quality cultural experiences

- Enabling the creation and production of new work that promotes innovation and best practice
- Providing a platform and opportunities for new and emerging artists to practice effectively in the borough
- Promoting collaborative working, shared skills and experiences between cultural sector organisations to maximise the use of existing resources and explore artistic practice innovation

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Head of Procurement

46. Not applicable.

Director of Legal Services

47. Comments included in the closed report.

Strategic Director of Finance and Corporate Services

48. Comments included in the closed report.

BACKGROUND DOCUMENTS

Background documents	Held At	Contact
Peckham and Nunhead Area Action Plan	Planning Policy Southwark Council 5th Floor, 160 Tooley Street London SE1 2QH	Juliet Seymour 020 7525 0508
http://www.southwark.gov.uk/info/200315/peckham_and_nunhead		
Cultural Strategy 2013-2018	Arts and Culture, Southwark Council 3rd Floor, 160 Tooley Street London SE1 2QH	Coral Flood 020 7525 5231
http://www.southwark.gov.uk/downloads/download/3733/culture_strategy_2013-2018		

APPENDICES

No	Title
Appendix 1	Site plan

AUDIT TRAIL

Cabinet Member	Councillor Mark Williams, Regeneration and New Homes		
Lead Officer	Stephen Platts, Director of Regeneration		
Report Author	Jessica Caruth, Senior Project Manager		
Version	Final		
Dated	9 July 2015		
Key Decision?	Yes		
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER			
Officer Title	Comments sought	Comments included	
Head of Procurement	No	No	
Director of Legal Services	Yes	Yes	
Strategic Director of Finance and Corporate Services	Yes	Yes	
Head of Specialist Housing Services	No	No	
Cabinet Member	Yes	Yes	
Contract Review Boards			
Departmental Contract Review Board	No	No	
Corporate Contract Review Board	No	No	
Cabinet Member	Yes	Yes	
Date final report sent to Constitutional Team		9 July 2015	

TITLE.

Eagle Wharf, SE15.

DRAWING No.

LBS_3282

DRAWN BY.

MMANKTELOW
Property Division

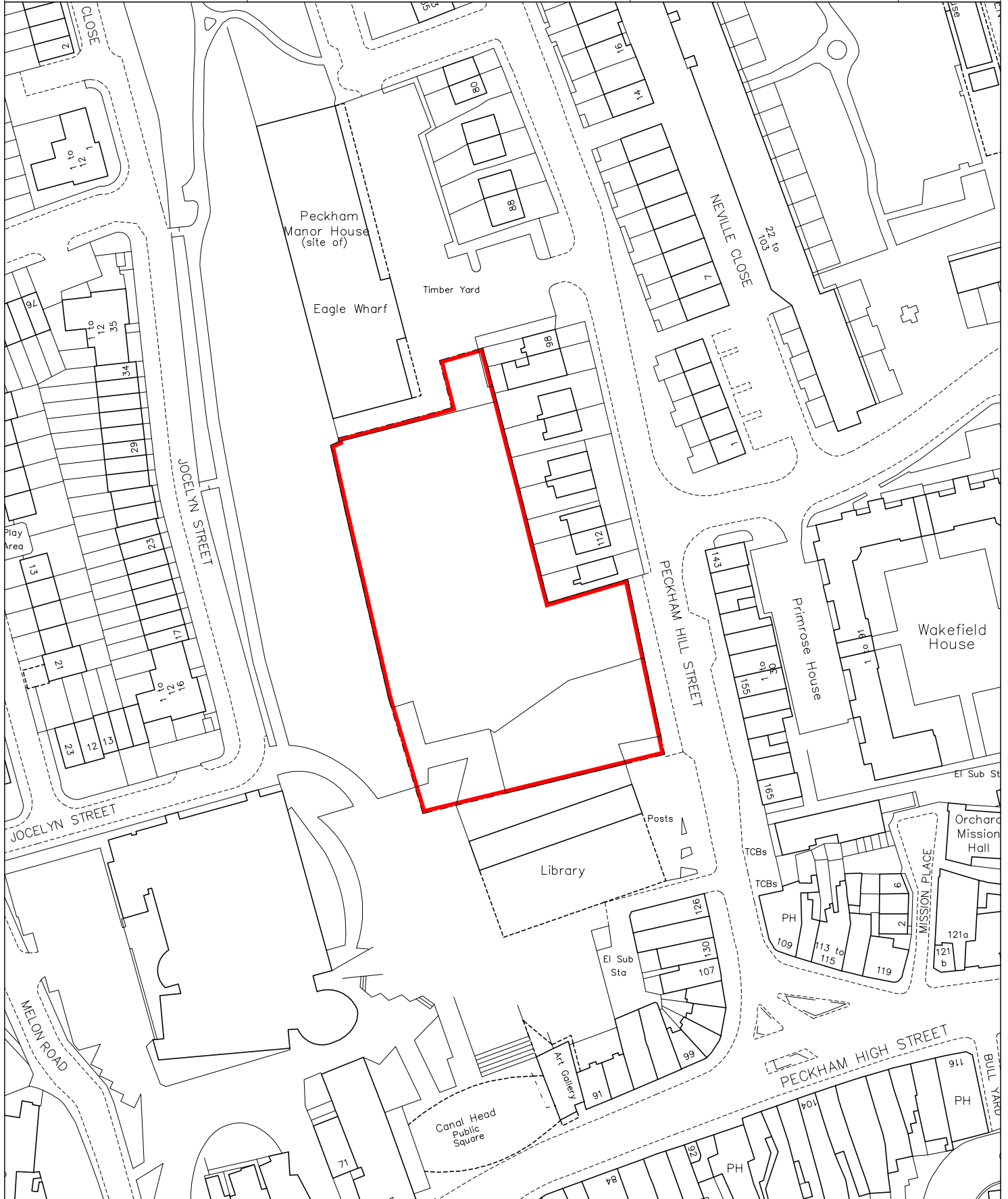
DATE.

9/6/2015

Reproduced from the Ordnance Survey mapping with the permission of the Controller of Her Majesty's Stationary Office © Crown copyright. Unauthorised reproduction infringes Crown copyright and may lead to prosecution or civil proceedings. (London Borough of Southwark / Licence No. LA086541).

Original Scale - 1:1250Subject to variation when reproduced
from an Adobe pdf source

N



CABINET AGENDA DISTRIBUTION LIST (OPEN)**MUNICIPAL YEAR 2015/16**

NOTE: Original held by Constitutional Team; all amendments/queries to
Paula Thornton/Virginia Wynn-Jones Tel: 020 7525 4395/7055

Name	No of copies	Name	No of copies
Cabinet Members		Chief Officer Team	
Peter John	1	Eleanor Kelly	1
Ian Wingfield	1	Deborah Collins	1
Stephanie Cryan	1	Gerri Scott	1
Barrie Hargrove	1	Duncan Whitfield	1
Richard Livingstone	1	David Quirke-Thornton	1
Darren Merrill	1		
Victoria Mills	1	Officers	
Mark Williams	1	Doreen Forrester-Brown	1
		Jennifer Seeley	1
Other Councillors		Norman Coombe	1
Gavin Edwards	1	Ruth Wallis	1
Jasmine Ali	1		
Catherine Dale	1	Others	
Paul Fleming	1	Louise Neilan, Press Office	1
Tom Flynn	1	Paula Thornton, Constitutional Officer	15
Rebecca Lury	1		
Johnson Situ	1		
Hamish McCallum	1		
Rosie Shimell	1		
Michael Mitchell	1	Total:	47
		Dated: 1 June 2015	
Electronic Versions (no hard copy)			
Fiona Colley			
Michael Situ			
Anood Al-Samerai			
Maisie Anderson			
Group Offices			
Chris Page, Cabinet Office	1		
Niko Baar, Opposition Group Office	1		
Press			
Southwark News	1		
South London Press	1		