

Cabinet

Tuesday 9 February 2016

4.00 pm

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

Membership

Councillor Peter John OBE
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

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Access to information

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Contact

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

Members of the committee are summoned to attend this meeting

Councillor Peter John

Leader of the Council

Date: 1 February 2016



Cabinet

Tuesday 9 February 2016

4.00 pm

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

Order of Business

Item No.	Title	Page No.
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PART A - OPEN BUSINESS

MOBILE PHONES

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

1. APOLOGIES

To receive any apologies for absence.

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

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

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

1 - 3

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 dispensations 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. The deadline for the receipt of public questions is midnight Wednesday 3 February 2016.

Item No.	Title	Page No.
6.	MINUTES	4 - 17
	To approve as a correct record the minutes of the open section of the meeting held on 27 January 2016.	
7.	DEPUTATION REQUESTS	
	To consider any deputation requests. The deadline for the receipt of deputation requests is midnight Wednesday 3 February 2016.	
8.	POLICY AND RESOURCES STRATEGY 2016/17 - 2018/19	
	To follow.	
9.	REVENUE MONITORING REPORT FOR QUARTER THREE, 2015/16, INCLUDING TREASURY MANAGEMENT	18 - 27
	To note the revenue monitor report and approve general fund budget movements over £250,000.	
10.	QUARTER 3 CAPITAL MONITORING FOR 2015/16 AND CAPITAL PROGRAMME REFRESH FOR 2015/16-2024/25	28 - 55
	To note the general fund capital programme and the housing investment programme. To approve virements and variations and the re-profiling of budgets in line with projected expenditure.	
11.	CREATION TRUST FUNDING AGREEMENT 2016/17-2020/21	56 - 63
	To approve grant funding to Creation Trust for the objectives set out within the Creation Trust business plan.	
12.	RESPONSE TO HEALTHY COMMUNITIES SCRUTINY SUB-COMMITTEE - PERSONALISATION AND PERSONAL BUDGET REPORT	64 - 70
	To note the actions that are being taken to address the key recommendations of the healthy communities scrutiny sub-committee on personalisation and personal budgets.	
13.	SOUTHWARK CHILDREN'S AND ADULTS' SERVICES: INDEPENDENT LOCAL TEST OF ASSURANCE 2015	71 - 82
	To note the Independent Local Test of Assurance (2015) report.	

Item No.	Title	Page No.
14.	CHILDREN IN CARE AND CARE LEAVERS STRATEGY 2016-2019 To agree the children in care and care leavers strategy 2016-2019.	83 - 88
15.	SOUTHWARK CO-ORDINATED ADMISSION SCHEMES FOR PRIMARY, JUNIOR AND SECONDARY ADMISSIONS 2017 To agree the primary, junior and secondary co-ordinated admission schemes for 2017.	89 - 93
16.	ADMISSION ARRANGEMENTS FOR COMMUNITY PRIMARY SCHOOLS - SEPTEMBER 2017 To agree the Southwark community primary schools admission arrangements for 2017.	94 - 99
17.	GATEWAY 2: CONTRACT AWARD APPROVAL - MANAGEMENT OF THE COUNCIL'S LEISURE CENTRES To approve the award of the contract to manage the council's leisure facilities.	100 - 118
18.	FREE SWIM AND GYM UPDATE To note the findings of the pilot scheme for young people and over 60s and the plan to continue the pilot scheme until July 2016.	119 - 132
19.	GATEWAY 2: PROCUREMENT STRATEGY APPROVAL - COMMERCIAL FLEET To approve the use of frameworks to procure light commercial vehicles, heavy commercial and specialist vehicles.	133 - 153
20.	DIVERSITY STANDARD To approve the final version of diversity standard.	154 - 160
21.	RESPONSE TO THE LAMBETH AND SOUTHWARK EARLY ACTION COMMISSION To note the recommendations of the Lambeth and Southwark Early Action Commission and proposed action arising.	161 - 189
22.	SOUTHWARK'S DIGITAL STRATEGY To approve Southwark's digital strategy.	190 - 195

Item No.	Title	Page No.
23.	GATEWAY 0: SERVICE UPDATE - IT MANAGED SERVICES SOURCING OPTIONS	196 - 213

To note the report and the intention to present a gateway 1 report for consideration to the March cabinet.

24.	BROADBAND IN ROTHERHITHE	214 - 221
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To note the progress being made in bringing superfast broadband to the Rotherhithe area.

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

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| 25. | GATEWAY 2: CONTRACT AWARD APPROVAL - MANAGEMENT OF THE COUNCIL'S LEISURE CENTRES |
| 26. | GATEWAY 0: SERVICE UPDATE - IT MANAGED SERVICES SOURCING OPTIONS |

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

Date: 1 February 2016

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

Cabinet 9 February 2016

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 9 February 2016 at 4.00pm, Council offices, 160 Tooley Street, London SE1 2QH will be held partly in closed session for consideration of the following items listed on the agenda:

Item 25: Gateway 2: Contract Award Approval Management of the Council's Leisure Centres

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: 1 February 2016



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

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

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

DECISION MAKER

Name of decision maker: Cabinet

Date of meeting: 9 February 2016

LEAD OFFICER DETAILS

Name and contact details: Richard Heap
Richard.heap@southwark.gov.uk
 Tel: [020 7525 3035](tel:02075253035)

DETAILS OF THE REPORT

Item 26: Gateway 0: Service Update - IT Managed Services Sourcing Options

Purpose:

The report provides an overview of sourcing options for IT managed services and the developing procurement strategy.

It sets out officers' current thinking and requests that members endorse the work proposed by officers to undertake further investigation and prepare a gateway 1 report.

Reason for Urgency:

- The challenging timeframe in which to complete a service and sourcing design and any subsequent procurement and transition requires that officers' proceed at pace.
- The report seeks cabinet endorsement only of the work to be undertaken by officers to prepare a gateway 1 report and therefore it is not a strategic decision.
- Members' are requested to consider and approve the report's recommendations.

Risks and Issues:

- The challenging timeframe in which to complete all required work on this project is noted in the report as a risk.
- Officers are progressing a short-term extension to the existing IT managed service contract to mitigate this risk.

- Without the extension being agreed any delay may result in a financial and/or service impact to the councils IT service.

Rationale for report lateness:

- The council's housing and modernisation department wrote the report with the intent that it be open. Legal advice received after the forward plan was published resulted in appendix two being reviewed, considered as exempt and therefore marked as closed.
- The open report had been scheduled in accordance with the agreed procedure and the required notice period.
- The closed report provides members with a small amount of additional information which pertains to the financial and business affairs of the council's current supplier of IT managed services. This information is considered as exempt from publication by virtue of category 3 of paragraph 10.4 of the Access to Information Procedure Rules of the Southwark Constitution.
- Whilst assisting to understand the current position and future direction for IT sourcing, the closed report is not considered vital to the understanding of the open report nor recommendations contained within it.

Ian Millichap

Proper Constitutional Officer

Dated: 1 February 2016



Cabinet

MINUTES of the OPEN section of the Cabinet held on Wednesday 27 January 2016 at 4.00 pm at Ground Floor Meeting Room GO2A, 160 Tooley Street, London SE1 2QH

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

1. APOLOGIES

Apologies were received from Councillor Barrie Hargrove.

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

The chair gave notice that the following late items of business would be considered for reasons of urgency to be specified in the relevant minutes:

Item 8: Deputation requests

Item 9: Policy and Resources Strategy 2016/17 – 2018/19: Revenue Budget.

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

No closed items were considered at this meeting.

4. DISCLOSURE OF INTERESTS AND DISPENSATIONS

Councillor Victoria Mills as her husband works for Unison requested that her interest be noted in respect of motion 6 in item 13, Motions Referred from Council Assembly. Additionally she confirmed that she would withdraw from the meeting while this item was being discussed.

5. PUBLIC QUESTION TIME (15 MINUTES)

There were none.

6. MINUTES

RESOLVED:

That the minutes of the meeting held on 8 December 2015 be approved as a correct record and signed by the chair.

7. PETITION FROM SOUTHWARK DEFEND COUNCIL HOUSING

No petitions were presented.

8. DEPUTATION REQUESTS

This item had not been circulated five clear days in advance of the meeting. The chair agreed to accept the item as urgent because the requests were received in line with the constitutional deadline for the receipt of deputation requests.

Mint Street Adventure Playground

The deputation spoke about the benefits of risky play, how the playground is a community hub, and how to achieve the best outcomes for the playground and the area. The cabinet member for children and schools responded to confirm that the cuts to Mint Street Adventure Playground had been altered to be phased in over two years instead of one, in anticipation of the new premises offering greater financial security.

On behalf of Service Users of Adults with Learning Disabilities

The deputation spoke about their disappointment in the lack of communication from Southwark Council on the matter of the cuts to Family Mosaic, and the difficulty of arranging new provisions for service users. The cabinet member for adult care and financial inclusion responded to confirm that the funding will be extended for a further two months, to ensure that all service users have a personalised service plan for the future.

Southwark Day Centre for Asylum Seekers

The deputation spoke about the impact of the cuts to their services, and how this would affect very vulnerable families. They explained that these particular cuts did not demonstrate that Southwark was a 'refugee-friendly borough'. The cabinet member for children and schools responded to the deputation, saying that the council would try to look for flexibility within the budget to ease the impact of the cuts.

Communication Workers Union

The chair agreed to accept this as a late deputation, as it was received after the deadline.

The deputation spoke about the suggested change of Walworth Road Crown Post Office to being a franchise, which would likely reduce the services on offer and potentially result in job losses. The deputy leader and cabinet member for business, employment and culture suggested that overview and scrutiny committee looked into this. The leader of the council agreed to write in support of maintaining Walworth Road as a Crown Post Office.

9. POLICY AND RESOURCES STRATEGY 2016/17 - 2018/19: REVENUE BUDGET

This item had not been circulated five clear days in advance of the meeting. The chair agreed to accept the item as urgent as the council was committed to publishing budget proposals at the earliest possible opportunity to ensure they were available to the public for comments and questions. Also, under the council's constitution there is a requirement for the overview and scrutiny committee to review and challenge budget proposals and this is due to take place on 2 February 2016. Presenting this report to cabinet on 27 January 2016 gives the opportunity for debate prior to presentation of final budget figures at council assembly on 24 February 2016.

RESOLVED:

1. That the provisional settlement announced by the Secretary of State on 17 December 2015, and that the final settlement is expected to be confirmed by the 12 February 2016, be noted
2. That it be noted that the provisional settlement is for four years with the final three years being indicative, subject to councils making a commitment to efficiency.
3. That the key issues for Southwark arising from the provisional settlement as set out in the report be noted, including:
 - Loss of grant to the council over the period to 2019/20 of £47.0m (23.8%), profiled as set out in the report;
 - Loss of spending power of £9.5m (3.2%) over the same period although this is subject to a number of government assumptions (including annual increases in council tax) and excludes price and demand pressures facing the council;
 - Indicative grant can be assured by government for this period subject to the council agreeing to an efficiency programme, details still to be confirmed;
 - Consultation will be completed on a revised New Homes Bonus Scheme with 'sharper' incentives but with a smaller pot to distribute over the settlement period;
 - New Homes Bonus topslicing previously applied to London local authorities and passported to the GLA for the London LEP will no longer apply with effect from 2016/17;
 - New resources for a Local Authority Better Care Fund have been allocated, although this funding is backloaded in the settlement;
 - Council Tax Freeze Grant will no longer be payable although the Council Tax Referendum Limit will remain at 1.99%;
 - Adult Social Care (ASC) Precept at 2%, subject to confirmation by the Section 151 officer that the precept is being passported to ASC.

4. That it be noted that while the overall funding position has improved since the cabinet report in September 2015, savings will still need to be made by the council over the next three years in excess of £6m in order to balance the budget.
5. That it be noted that balances will continue to be released as planned over the next three years in order to mitigate the impact of reductions in government funding and other pressures.
6. That the balanced general fund budget proposals for 2016/17 contained within the report be noted, including:
 - resources available arising from the provisional settlement;
 - an increase in council tax and retained business rates over the settlement period;
 - resources arising from the ASC precept;
 - resources available from the New Homes Bonus scheme;
 - use of balances;
 - corporate contingency;
 - commitments;
 - income generation;
 - efficiencies and improved use of resources and;
 - other savings impacting on service delivery.
7. That the intention to freeze council tax for a further year in 2016/17, subject to review in future years, be noted.
8. That the intention to accept the 2% adult social care precept in 2016/17 and beyond be noted.
9. That the response to DCLG from the leader of the council to the consultation on the provisional settlement and his request to meet with the Secretary of State be noted.
10. That the indicative budgets for 2016/17, 2017/18 and 2018/19 on the basis of the indicative funding for those years be noted.
11. That it be noted that this report is to be considered by the overview and scrutiny committee on 2 February 2016 and that any recommendations arising which are agreed by cabinet will be incorporated into the final report to cabinet on 9 February 2016 including balanced budgets for 2016/17 and for 2017/18 and 2018/19 for recommendation to council assembly on 24 February 2016.
12. That officers be requested to complete further work in the light of further notifications from government and recommendations from cabinet and from overview and scrutiny committee and represent balanced budgets for the next three years at cabinet on 9 February 2016.
13. That the feedback to date from the public budget consultation exercise be noted.
14. That the continuing work underway by strategic directors to complete EQIA in

advance of council assembly on 24 February 2016 be noted.

10. REPORT FROM OVERVIEW AND SCRUTINY COMMITTEE: "RIGHT TO BUY" FOR HOUSING ASSOCIATION TENANTS AND THE FORCED SALE OF COUNCIL PROPERTIES

RESOLVED:

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

11. HOUSING REVENUE ACCOUNT - FINAL RENT SETTING AND BUDGET REPORT 2016/17

Appendix F of this item was circulated separately, which contains the results of consultation ongoing at the time of agenda publication.

RESOLVED:

1. That a rent decrease of 1.0% for all housing revenue account (HRA) dwellings (including estate voids and hostels) be agreed with effect from 4 April 2016; subject to the final provisions of the Welfare Reform and Work Bill currently passing through Parliament once enacted. This is contrary to previous council policy regarding rents. The average dwelling rent in 2016/17 under such a reduction will be £100.24 per week (a fall of £1.01 per week on average). Paragraphs 18 and 19 of the report contain further detail.
2. That it be noted that the rental base will reduce by c. £28 million over the next four years from that previously predicated in the HRA business plan. The compound effect of the rent reduction and loss of resources over the same period is c. £62 million, which has necessitated changes to the business plan model going forward.
3. With regard to other HRA-wide charges, that it be agreed that no change be made to tenant service charges, comprising the estate cleaning, grounds maintenance, communal lighting and door entry maintenance charges as set out in paragraph 24 of the report with effect from 4 April 2016.
4. That it be agreed that no increase be made to sheltered housing service charges as set out in paragraph 25 of the report with effect from 4 April 2016.
5. That it be agreed that direct charges for garages, store sheds and parking bays remain at the same level as 2015/16 as set out in paragraph 26 of the report with effect from 4 April 2016.
6. That it be agreed that there be no increase to district heating and hot water charges as set out in paragraph 27 of the report with effect from 4 April 2016.
7. That it be noted that water and sewerage charges levied by Thames Water are liable

to an inflationary uplift as set out at paragraph 28 of the report, but as yet the council has not been informed by Thames Water of what that increase will be.

8. That cabinet's commitment to ensure that savings made are primarily based on efficiencies, and where staffing reductions form part of any said savings, that due consultation and process is followed with trade unions, be reaffirmed.
9. That the decision of Tenant Council on 4 January 2016 to establish a 'task and finish' group to examine the proposed 2016/17 savings in more detail as set out in paragraph 38 of the report be noted, and therefore also that the revised HRA budget for 2016/17 may be subject to revision within the envelope set out in Appendix A to the report be noted.

12. LGA PEER REVIEW OF SOUTHWARK

RESOLVED:

1. That the feedback report from the corporate peer challenge of Southwark Council (Appendix 1 of the report) that was undertaken by the Local Government Association (LGA) between 16 and 19 November 2015 be noted.
2. That the findings of the report be considered, and officers be instructed to develop relevant plans and actions in response, reporting progress through the council plan. The first update shall be brought back to cabinet in April 2016.

13. MOTIONS REFERRED FROM COUNCIL ASSEMBLY

RESOLVED:

Employment and local economy

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

1. That supporting a strong local economy, improving skills and employment opportunities, and in particular helping some of Southwark's most vulnerable residents to access jobs is key for the council's plan to achieve a fairer future for all.
2. That despite the severe cuts to the council's funding imposed on Southwark over the last five years under the Tory/Liberal Democrat coalition government, which continue to be imposed under the Tory government, this administration has continued to invest in the borough; growing the local economy, building more homes and creating more jobs and opportunities for local people.
3. That council assembly regrets that instead of supporting people into work, the Government is continuing the coalition's policies of penalising working families by cutting tax credits, hitting more than three million families in work who will lose £1,300 next year on average, and cutting Employment and Support Allowance pushing hundreds of thousands of sick and disabled people further away from

employment.

4. That council assembly welcomes the steps this administration has taken to create employment opportunities for local people, including:
 - Supporting 1,450 residents into jobs since May 2014, including nearly 300 people with a range of complex barriers to employment including physical and mental health issues, caring responsibilities and other barriers.
 - Delivering employment support to residents in partnership with local and national organisations, including InSpire St Peters, St Giles Trust, Pecan, Royal Mencap and South London and Maudsley NHS Foundation Trust.
 - Promoting employer led skills provision through initiatives like the business forum and the creation of a new construction skills centre, due to open next year.
5. That council assembly welcomes the council's support for local businesses, including:
 - Supporting 24 business projects with £382,000 through the High Street Challenge.
 - Supporting Southwark employers to access £268,000 worth of finance to help their business to grow.
 - Providing direct access to council services for businesses through the council's online business portal.
 - Supporting small local businesses to take on young people through the Southwark Employment and Enterprise Development Scheme (SEEDS), helping local employers to stimulate business growth and generating sustainable jobs and apprenticeships for young people.
6. That council assembly welcomes this administration's commitment to giving young people in Southwark the opportunity to fulfil their potential by:
 - Creating 2,000 new apprenticeships to give young people the opportunity to develop their skills and become work-ready.
 - Guaranteeing opportunities for every school leaver in Southwark to learn, work or train through the youth guarantee.
 - Introducing the Southwark apprenticeship standard to guarantee quality apprenticeships and ensure secure employment, a fair wage, quality training provision and mentoring support for apprentices.
7. That council assembly also welcomes the council's partnership work with neighbouring boroughs Lambeth and Lewisham, bringing in excess of £1 million worth of funding into the three boroughs to get residents up-skilled and into work

through the 'pathways to employment' project, and establishing a joint committee to deliver a joined-up approach to employment and skills.

8. That council assembly calls on the cabinet to:

- Continue work on the youth guarantee, to ensure every young person in Southwark has the opportunity for employment, education or training.
- Continue to invest in skills directly through council apprenticeships, and work with local businesses and partners to expand apprenticeships, particularly focusing on industries like construction where there are job opportunities in the borough.
- Work in partnership with businesses and organisations in the borough to promote the London Living Wage, and encourage the take up of apprenticeships.
- Continue working collaboratively with the voluntary and community sector (VCS) to secure employment for the borough's most vulnerable residents, and recognise the role of volunteering in Southwark for leading to employment opportunities.

9. That council assembly recognises that national employment programmes do not always provide the right support at the right time to help people with more acute needs get back into work in places like Southwark. Therefore council assembly calls on the cabinet to work with other local authorities to campaign for greater devolution of employment and skills funding and powers to local government.

Arnold Estate warm, dry and safe works programme

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

That council assembly:

1. Welcomes the improvements currently underway on the Arnold Estate as part of the warm, dry and safe programme.
2. Notes that although the kitchens and bathrooms programme was brought forward to April 2015, the warm, dry and safe works on the Arnold Estate started before that, so it was not possible to bring the kitchens and bathrooms programme into the scope of the work.
3. Notes that the council is spending £303.9m on housing investment works during 2015/16, which is significantly more than the council has ever spent before in a year.
4. Regrets however that the impact of the Chancellor's post-election decision to impose rent reductions on councils and housing associations without compensation, which will result in a net loss of £62m to the HRA over the next four years, unfortunately means that the council has to slow the proposed major works

programme from that originally envisaged.

5. Notes that no decision has yet been taken on when the kitchens and bathrooms work will take place at the Arnold Estate, as all proposals from 2017/18 onwards are currently being consulted on and a final decision will not be taken until March 2016, and therefore asks that Cabinet consider carefully the views on the programme set out by the tenants and residents of Arnold Estate carefully before taking its decision in March.
6. Calls on the cabinet to ensure that despite the significant financial challenge, the kitchens and bathrooms programme is still delivered to all council properties, including the Arnold Estate.

End cuts to policing in London

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

That council assembly notes:

1. As a result of the spending review in 2010 the Metropolitan Police Service has faced cuts of almost £600 million, totalling 20% of its budget.
2. The 'safer neighbourhood team' (SNT) model introduced by the previous Labour Mayor was widely welcomed by communities and saw each ward allocated a dedicated team of six officers (one sergeant, two police constables (PCs) and three police community support officers (PCSOs)).
3. The introduction of Boris Johnson's local policing model dismantled SNTs reducing them to just a single dedicated PC and PCSO per ward, demonstrating the impact of a Tory Mayor on London and Londoners' safety.
4. Since May 2010, as a result of government cuts, London has lost 3,170 dedicated neighbourhood PCSOs, a cut of over 70% compared with May 2010. In Southwark 110 PCSOs have been lost since 2010.
5. In December the Metropolitan Police Service management board will consider proposals to scrap neighbourhood PCSOs all together, resulting in a loss of over 1,000 officers if approved. In Southwark this proposal could mean losing all of the few remaining PCSOs in the borough.
6. That whilst PCSOs have been informed of the Met's intention to make this decision, there has been no meaningful consultation with boroughs, the public or PCSOs about the impact of scrapping PCSOs.

That council assembly believes:

7. The introduction of neighbourhood policing teams transformed local policing, increased public confidence and provided a integral link between communities and the police.

8. The £600 million of cuts handed down from government have devastated the police service in the capital despite promises from the Mayor of London and Home Secretary that they would not hit the frontline.
9. Proposals to scrap all of London's neighbourhood PCSOs will have a profound impact on the shape of London's police force and should be subject to full public consultation if approved by the Metropolitan Police Service management board.

That council assembly resolves:

10. That the council consult residents on any proposed changes to its own community warden scheme.
11. To call on the Metropolitan Police Service Commissioner to engage with local authorities to find alternatives to the badly thought-out proposals to scrap neighbourhood PCSOs, particularly in light of the chancellor's announcement that there will be no further budget cuts to policing this year. Including retaining at least one dedicated PCSO in each of the 21 wards across Southwark, as well as keeping the existing structure.
12. To call on the Mayor of London to set out the true impact of government cuts and engage in meaningful consultation with Londoners about the future of policing in the capital, including the option of not reducing the council tax precept next year to ensure PCSO numbers can remain at current levels in Southwark by raising extra funding for the Metropolitan Police.

Greater London National Park City campaign

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

That council assembly:

1. Congratulates the council on the amount of open and green space available and maintained for residents in Southwark.
2. Acknowledges the health, environmental and leisure benefits of parks, green spaces and water in built-up urban areas.
3. Notes that Southwark has a large number of parks and green spaces we can be immensely proud of, including a record number of Green Flag parks, and that resident satisfaction with Southwark parks is very high.
4. Notes that parks in Southwark already have the planning protection required to ensure that they are not under threat.
5. Notes that Southwark is a leading borough in London for parks and green spaces and that the council is continuing to invest in parks open spaces, while many local authorities are scaling back investment because of budget cuts.
6. Welcomes the council's work to ensure that standards in Southwark parks continue

to improve against a very difficult backdrop of central government cuts.

7. Notes that there is no real detail on the potential benefits and risks of a Greater London National Park City for local authority parks and it is not yet clear what the implications of the proposals would be on Southwark's parks and open spaces.
8. Calls on the cabinet to ensure that at a time of ever-growing budgetary pressure, the council focuses on protecting investment in Southwark's parks and green spaces, continuing to improve standards and fulfilling the manifesto promise to increase the number of Green Flag parks in the borough.

Extend the 42 bus route

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

1. That council assembly notes that the 42 bus route is a key route in Southwark linking the south-west to the north-east of the borough and providing a much needed direct link north across the river for our residents.
2. That council assembly recognises that residents in Camberwell and Walworth currently have to put up with an inadequate 42 bus service, which is unreliable and overcrowded, with people often being left at bus stops. This route does not run enough services and currently terminates at Sunray Avenue rather than the Sainsburys, which makes it difficult for residents travelling to the shop who have mobility issues or small children.
3. That council assembly therefore calls on cabinet to lobby Transport for London:
 - To deliver more frequent and reliable services
 - To turn the route into a double decker in order to increase capacity for passengers
 - To extend the southern terminating point to Sainsburys East Dulwich
4. That council assembly further notes that Transport for London has already announced a consultation on the extension of the 42 bus route to Sainsbury's East Dulwich for next month, including whether a double-decker is supported by both passengers and local residents.

The Trade Union Bill

Councillor Victoria Mills left the room for the discussion on this motion.

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

1. That council assembly recognises the positive contribution that trade unions and trade union members make in our workplaces. This council values the constructive relationship that we have with our trade unions and we recognise their commitment,

and the commitment of all our staff, to the delivery of good quality public services.

2. That council assembly notes with concern the Trade Union Bill which is currently being proposed by the government and which would affect this council's relationship with our trade unions and our workforce as a whole. Council assembly rejects this bill's attack on local democracy and the attack on our right to manage our own affairs.
3. That council assembly further notes that human rights groups Liberty, Amnesty International and the British Institute of Human Rights have all condemned the Bill as an attack on the basic right to protest and that the Chartered Institute of Personnel and Development has branded this law an 'outdated response that could have potentially counter-productive consequences.'
4. That council assembly is clear that facility time, negotiated and agreed by us and our trade unions to suit our own specific needs, has a valuable role to play in the creation of good quality and responsive local services. Facility time should not be determined or controlled by government in Westminster.
5. That council assembly is happy with the arrangements we currently have in place for deducting trade union membership subscriptions through our payroll. We see this as an important part of our positive industrial relations and a cheap and easy to administer system that supports our staff. This system is an administrative matter for the council and should not be interfered with by the UK government.
6. That council assembly resolves to support the campaign against the unnecessary, anti-democratic and bureaucratic Trade Union Bill.
7. That council assembly calls on cabinet to support the campaign against the unnecessary, anti-democratic and bureaucratic Trade Union Bill and to seek to continue its own locally agreed industrial relations strategy and take every measure possible to maintain its autonomy with regard to facility time and the continuing use of check-off.

Transatlantic Trade and Investment Partnership (TTIP)

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

1. That council assembly notes that there has been no impact assessment about the potential impact of a Transatlantic Trade and Investment Partnership, currently being negotiated by the EU and USA, on local authorities, and that there has been no scrutiny of the negotiating texts by local government and no consultation with local government representatives.
2. That council assembly believes that TTIP could have a detrimental impact on local services, employment, suppliers and decision-making. In particular, TTIP could effectively prevent public services from being brought back in-house, which could have a negative impact on Southwark where significant improvements have been made by bringing services back in-house, such as the council's revenues and benefits service in 2011.

3. That council assembly notes that Labour MEPs have been campaigning to ensure that, should a trade agreement between the EU and the USA be concluded, it does not in any way limit the ability of public authorities, whether at local, national or European level, to act for the public interest. Council assembly welcomes the amendments to the recently adopted European parliament resolution successfully moved by Labour MEPS for a full exclusion of all public services, present or future, from the scope of the agreement, as well as a clear rejection of any type of measures that could undermine public authorities' autonomy and sovereignty, including at local level, and their commitment to veto any agreement that fails to address these concerns.
4. That council assembly believes that a thorough impact assessment of TTIP on local authorities must be undertaken before the negotiations can be concluded.
5. That council assembly calls on the cabinet to:
 - Write to the Secretary of State for Communities and Local Government, local MPs and London MEPs, raising our serious concerns about the impact of TTIP on local authorities and the secrecy of the negotiating process.
 - Write to the Local Government Association to raise our serious concerns about the impact of TTIP on local authorities and ask them to raise these with government on our behalf.
 - Join with other local authorities and local campaigners to raise awareness about our concerns over TTIP and call for an impact assessment on the impact of TTIP on local authorities.

The Housing and Planning Bill

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

That council assembly notes:

1. That the Housing and Planning Bill is currently being debated in Parliament, and if passed would threaten the provision of affordable homes for rent and buy through:
 - a) forcing 'high-value' council homes to be sold on the open market
 - b) extending the right-to-buy to housing association tenants, and
 - c) undermining Section 106 requirements on private developers to provide affordable homes.
2. That there is no commitment in the Bill that affordable homes will be replaced like-for-like in the local area.
3. That whilst measures to help first-time buyers are welcome, the 'starter homes' proposals in the Bill will be unaffordable to families and young people on ordinary incomes in most parts of the country, will not preserve the taxpayer investment and will be built at the expense of genuinely affordable homes to rent and buy.

4. That the Bill undermines localism by taking new wide and open-ended powers for the Secretary of State over councils and local communities, including the ability to override local plans, to mandate rents for social tenants, and to impose a levy on stock-holding councils, violating the terms of the housing revenue account self-financing deal.
5. That the Bill, whilst introducing some welcome measures to get to grips with rogue landlords, does not help with the high rents, poor conditions and insecurity affecting many of England's private renters - including one in four families with children - and does nothing to help arrest the recent rise in homelessness.

That council assembly calls on cabinet:

6. To analyse and report on the likely impact of the forced sale of council homes, the extension of right-to-buy and the 'starter homes' requirement on the local availability of affordable homes.
7. To analyse and report on any further likely impacts of the Bill on Southwark.
8. To use this information to:
 - a) write to the Secretary of State with our concerns regarding the Bill
 - b) set up an urgent meeting between the Leader of the Council and the Chief Executive with the local Members of Parliament to raise our concerns, and
 - c) make public our concerns, including by publishing the above information on the council's website and promoting through the local press.

Meeting ended at 5.42 pm

CHAIR:

DATED:

DEADLINE FOR NOTIFICATION OF CALL-IN UNDER SECTION 21 OF THE OVERVIEW AND SCRUTINY PROCEDURE RULES IS MIDNIGHT, THURSDAY 5 JANUARY 2016.

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. 9.	Classification: Open	Date: 9 February 2016	Meeting Name: Cabinet
Report title:		Revenue Monitoring Report for Quarter Three, 2015/16, 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 quarter 3 2015/16 revenue monitor report shows that three quarters of the way through the year we are largely on track to stay within our revenue budget agreed in February 2015 - delivering £30m of savings and supported by £6.2m planned use of reserves and our £4m contingency allowance.

I must however draw Cabinet Members' attention to the fact that spending for the year on temporary accommodation for homeless residents is estimated to be more than £2.3m over budget. Furthermore our expenditure supporting people with no recourse to public fund is also expected to be £2.3m above budget.

These overspends will mean that the £4m contingency built into the 2015/16 budget will be fully spent and underline the need to build these sustained demand-led budget pressures into the 2016/17 base budget.

RECOMMENDATIONS

1. That cabinet notes that:
 - the general fund outturn forecast for 2015/16 and forecast net movement in reserves by department;
 - the current adverse variation of £2.308m for temporary accommodation and £2.290m for no recourse to public funds, and the potential call on the corporate contingency budget and on other reserves;
 - the continuing action required to manage the Public Health budget as a consequence of the confirmed in year reduction in grant;
 - the housing revenue account's (HRA) forecast outturn for 2015/16 and resulting forecast movement in reserves;
 - there has been no change in treasury management activity since the previous quarter.
2. That cabinet approves the general fund budget movements that exceed £250k, as shown in Appendix A.

BACKGROUND INFORMATION

3. The purpose of this report is to provide a forecast for the end of the financial year 2015/16, using predictions based on the experience to date and knowledge as at

the end of quarter three (December 2015). Work continues throughout the council to ensure that a balanced position is achieved by the end of the financial year.

4. The council agreed a balanced general fund budget of £289.4m on 25 February 2015 based on a nil council tax increase, and £6.2m use of reserves, giving a budget of £283.2m. This budget was set in the context of further significant overall cuts in government funding.
5. The council also approved budget decisions including reductions of some £30m within general fund for 2015/16. Performance on achieving these savings is closely monitored and significant variances will be included in departmental narratives.

Housing revenue account

6. On 27 January 2015, cabinet approved an increase in tenants' rents and service charges of 2.2% in line with government guidance at CPI +1%. In addition, £5.4m of efficiency savings and £5.5m of income measures were required in order to set a balanced budget for 2015/16, enabling the HRA to meet unavoidable budgetary commitments and increase revenue support for the housing investment programme (HIP,) to meet the investment needs of the existing stock and delivery of 11,000 new council homes.

KEY ISSUES FOR CONSIDERATION

General fund overall position

7. Table 1 below shows the current forecast outturn position for quarter three (as at 31 December 2015) by department. These estimates are based on nine months' experience and action by all strategic directors will continue to ensure that they deliver their services within budget.

Table 1: General fund outturn position for 2015/16

General fund	Original budget	Budget movement	Revised budget	Forecast Spend in year	Variance before use of reserves	Forecast 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	183,602	979	184,581	187,733	3,152	(3,152)	184,581	0
Environment and Leisure	67,481	1,535	69,016	70,416	1,400	(1,400)	69,016	0
Housing and Community Services	36,604	25,749	62,353	70,966	8,613	(3,983)	66,983	4,630
Chief Executive's Office	11,735	(6,869)	4,866	4,714	(152)	0	4,714	(152)
Finance and Corporate Services	32,474	(21,394)	11,080	(538)	(11,618)	11,782	11,244	164
Support cost recharges	(46,508)	0	(46,508)	(46,508)	0	0	(46,508)	0
Contingency	4,000	0	4,000	0	(4,000)	0	0	(4,000)
Total general fund services	289,388	0	289,388	286,783	(2,605)	3,247	290,030	642
Use of reserves to underwrite base budget	(6,163)	0	(6,163)	0	6,163	(6,163)	(6,163)	0
Net revenue budget	283,225	0	283,225	286,783	3,558	2,916	283,867	642

Note 1: Explanations of the prior quarter's budget movements are provided in Appendix A.

8. In total, there is a current forecast adverse variance for all services of £642k. Included in the table above are planned reserve movements totalling £7.048m.

Children's and adults' services

9. The revised departmental budget for 2015/16 is now £184.5m. In this quarter, Adult Education, Community Safety and the Client Affairs Team have transferred to the department and the book start service has been transferred to Environment and Leisure. At the end of quarter three, the overall outturn position is projecting a balanced position after the planned use of earmarked reserves of approximately £3.1m
10. As in previous years, children social care budgets remain under significant pressure, despite having been protected from savings targets in previous years. Current options for budget savings being considered by cabinet, continue to recognise the need for this continued protection.
11. Despite the pressures, action continues to be taken by managers in both departments to bring spending for the year back to budget without compromising services being provided.
12. Dedicated schools grant remains in a balanced position for the year and any variations will be subject to agreement by the Schools Forum.

Environment and Leisure

13. A balanced position is forecast on the revised departmental budget for 2015/16 of £69m after the net impact of planned contributions from earmarked reserves including planned PFI contributions.
14. The department has implemented all of the proposed savings for this financial year. Although the options related to the increase in environmental fees and charges were implemented in quarter three, the department is confident of achieving the overall savings target as any shortfall arising as a result of this, will be mitigated by other favourable variances within the department.

Housing and Modernisation

15. This monitor represents the first forecast outturn report for the newly configured Housing and Modernisation department, following the corporate restructuring in autumn 2015, and comprises a number of additional functions that have moved between council departments, most notably corporate IT, corporate facilities management, human resources and organisational development / transformation with a consequent increase in base budget from £36.6m to £62.4m.
16. The position at quarter three shows an adverse variance of £4.6m which will become the first call on the corporate contingency (£4m) at the end of the financial year. Any variance above £4m will need to be resourced through other corporate and departmental reserves.
17. Temporary accommodation continues to present significant financial risk for the council, by virtue of homelessness demand and volatility on the supply-side, necessitating the use of more expensive bed and breakfast accommodation. Whilst robust management action is being taken to manage demand and

minimise cost through greater use of estate voids and hostels in the HRA, it remains an enduring challenge within the constraints of current legislation and council policy. The outturn is estimated to be £2.3m adverse, but continues to show gradual improvement over previous forecasts. Any final variation will become a call on corporate contingency in the current year. For 2016/17, cabinet are currently considering options for including these additional commitments with the Council's budget.

18. No Recourse to Public Funds (NRPF) is another demand driven area and remains a significant budget pressure that can no longer be contained within the service budget.
19. The NRPF caseload remains consistent at high levels, in spite of a thorough review of long standing cases and the introduction of a more rigorous assessment process. It is considered that management action is beginning to have an impact and expenditure in future years will be contained, albeit within a larger funding envelope being considered by cabinet separately as part of the Policy and Resources Strategy for 2016/17 and beyond.

Finance and Governance

20. This is the first monitor report for the Finance and Governance department – this new team includes Exchequer Services, Professional Finance Services, Finance and Information Governance, the Director's Office and Law and Democracy. The Finance and Governance Department is forecasting a net unfavourable variance of £164k at quarter three. This consists of a number of favourable variances in respect of staffing costs as the voluntary redundancy scheme takes effect and restructuring plans are implemented. These benefits are offset by a number of other pressures and not least the under recovery of election costs from the Cabinet Office in respect of the General Election.
21. Management action continues to reduce any risks and to recover any income due to the Council.

Chief executive's department

22. The Chief Executive's Department consists of the Regeneration and Planning divisions and the Chief Executive's Office, which includes Strategy and Planning, the Cabinet Office and Communications. A favourable variance of £152k is being forecast for the department at quarter three.
23. There are no significant variations to report.

Public health

24. The position remains unchanged since quarter two with the impact of the in year cut in Public Health funding of £1.6m now confirmed.
25. Management action remains in place to attempt to contain costs although this remains difficult given the uncontrollable nature of sexual health pressures including demand management, current tariffs and other unavoidable needs of the service.

26. Any adverse variation at the end of the year after the use of earmarked Public Health reserves will need to be offset against the Public Health Grant for 2016/17.

Contingency

27. The 2015/16 budget includes £4m for contingency, held to meet unforeseen costs that may arise during the year within departments that strategic directors are unable to contain. At quarter three it has been identified that there remain significant pressures on the temporary accommodation and NRPF budgets totalling £4.6m.
28. While management action continues to contain these pressures, it is likely that contingency will be needed in full. Any additional pressure will become a call on other Council balances or on windfall savings for the year.

Voluntary Severance

29. 2015/16 has seen the implementation of a voluntary redundancy scheme by the Council. This has been the first time in many years.
30. Costs of the scheme are to be contained within departmental budgets as staffing costs reduce as the redundancies occur. Any shortfall for a department will be met through allocations from the corporate modernisation reserve. This initiative will significantly support the changes across the Council to meet the budget challenges over future years.

Housing revenue account (HRA)

31. This monitor represents the first forecast outturn report for the newly configured Housing and Modernisation department, following the corporate restructuring in autumn 2015. The forecast remains cautious at this point given the complexity and risk inherent in an HRA of this size. Indications are that the outturn will be broadly positive based on known and anticipated budget variations, allowing a higher than expected contribution to reserves. In summary, the key budget headlines are outlined below.
32. Efficiency savings of £33m have been delivered over the last five years to meet new and emerging budget pressures, to resource new council priorities and to augment investment in the stock. There remains a requirement to review service provision and continue to deliver efficiency savings regardless of the underlying budget position to optimise service delivery. Landlord services, particularly maintaining and repairing the housing stock consume the greatest proportion of resources and budgets remain under constant pressure. Robust contract management and control of high volume, high value contracts continue to deliver greater value for money. However, Southwark Building Services (SBS) are currently forecasting a deficit of £1.1m, which falls as a cost to the HRA as their primary client. Management of this service transferred to Environment and Leisure with effect from 1 October 2015 as part of the corporate restructuring with the aim to improve the trading performance and financial return to the council, over the medium term.
33. Under self-financing, income has assumed paramount importance for the sustainability of the HRA and delivery of landlord services, particularly tenant

rents and service charges. Mainstream residential rent debit continues to track to plan and rent collection performance is broadly on track at 98.81% at week 40 (which includes the Christmas period, when collection historically dips). Former tenant arrears collection, albeit small by comparison (c.£300k per annum), remains consistently above target. However, further welfare benefit changes announced in the summer budget (8 July 2015), and the commencement of the roll-out of universal credit direct payment (albeit in a limited pilot area initially), present additional risks which could impact on future collection performance. As part of prudent budget management, the HRA maintains a level of revenue provisions to meet potential income losses of this nature at all times.

34. Homeowner service charges represent the second largest income stream to the HRA and are fully recoverable under the terms of their lease in order to prevent cross-subsidy from tenants. The value of rechargeable capital works is intrinsically linked to the HIP, but is not linear. The scale of investment and delivery of the WDS, FRA and other works programmes have accelerated rapidly in recent years, which was reflected in higher billing last year and will be carried through to the current year. Collection performance continues to perform ahead of target (£28.4m achieved to the end of December including service charge loans), and extrapolated to year-end will exceed the annual target of £34.5m.
35. The ring-fenced nature of the HRA requires that deficits/surpluses are carried forward between years. For 2014/15 a surplus of £2.5m was contributed to reserves, which boosted the total held at year end to £25.9m. In line with the medium term resource strategy (MTRS), the level of reserves are kept under review and maintained at an appropriate level to mitigate future risks, fulfil future commitments already made and enable the transformation and modernisation of services going forward. An estimated £2.1m (against a budget of £1.4m) will be contributed in the current year, based on the current outturn forecast.

Reserves

36. The council retains a level of earmarked reserves and these are reported each year within the annual statement of accounts. These reserves are maintained to fund:
 - 'invest to save' opportunities, which form part of the modernisation agenda and are expected to deliver future ongoing revenue savings
 - investment in regeneration and development where spend may be subject to unpredictable market and other factors
 - exceptional items/pressures which are difficult to predict and which are not included in revenue budgets or within the capital programme.
37. Final allocations from council reserves will be reported in the final Revenue Outturn report for 2015/16 to be reviewed by cabinet later in the year.

Treasury management

38. There have been no changes in Treasury Management since quarter two.
39. The Local Government Association's municipal bond agency is continuing preparations to launch its first bond issue this year and is expecting to lend on funds to borrowers 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 borrowing the council itself needs will be from whichever source is the cheapest having regard to any conditions.

Community impact statement

40. This report monitors expenditure on council services, compared to the planned general fund budget agreed in February 2015, and HRA budget agreed in January 2015. Although as a monitoring report, 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 2015/16 to 2017/18: Cabinet 27/01/15	160 Tooley Street PO Box 64529 London SE1P 5LX	John Braggins 020 7525 7489
Link: http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=5143&Ver=4		
Housing Revenue Account budget: Cabinet 27/01/15	160 Tooley Street PO Box 64529 London SE1P 5LX	Ian Young 020 7525 7849
Link: http://moderngov.southwark.gov.uk/documents/s51225/Report%20HRA%20Budget%202015-16.pdf		
Revenue Monitoring Report for Quarter 1 2015/16, including Treasury Management	160 Tooley Street PO Box 64529 London SE1P 5LX	John Braggins 020 7525 7489
Link: http://moderngov.southwark.gov.uk/documents/s56455/Report%202015-16%20-%20Q1%20Monitor.pdf		
Revenue Monitoring Report for Quarter 2 2015/16, including Treasury Management	160 Tooley Street PO Box 64529 London SE1P 5LX	John Braggins 020 7525 7489
Link: http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=5141&Ver=4		

APPENDICES

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

AUDIT TRAIL

Cabinet member	Councillor Fiona Colley, Finance, Modernisation and Performance		
Lead officer	Duncan Whitfield, Strategic Director of Finance and Governance		
Report author	Jennifer Seeley, Director of Finance		
Version	Final		
Dated	1 February 2016		
Key Decision?	No		
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER			
Officer Title	Comments Sought	Comments Included	
Director of Law and Democracy	No	No	
Strategic Director of Finance and Governance	N/a	N/a	
Cabinet Member	No	No	
Date final report sent to constitutional team		1 February 2016	

Budget Movements

Interdepartmental movements to be approved for Quarter Three

Department From	Amount £	Department to	Amount £	Description of the budget movement
Finance and Governance	(19,559,962)			Net changes to departmental budgets following management restructure on 1 October 2015
Chief Executive's	(4,108,601)			
Environment and Leisure	(918,967)			
		Housing and Modernisation	23,507,701	
		Children's and Adult Services	1,079,829	

Movements in reserves to be approved for Quarter Three

Department From	Amount £	Department to	Amount £	Description of the budget movement
Finance and Governance	(606,051)	Appropriations	606,051	To fully fund the school scholarship sponsorship scheme until 2020/21
Appropriations	(405,000)	Housing and modernisation	405,000	Reserve contribution towards full year running costs of Queens Road 1 and 2, including end of rent free period.
Appropriations	(234,632)	Children's and Adult Services	234,632	Funding of budget shortfall on PFI schools following the renegotiation of the PFI contract
Appropriations	(698,000)	Housing and modernisation	698,000	Contribution of reserves to fund initial budget shortfall following the adoption of a standardised planned maintenance approach across the operational estate.
Finance and Governance	(7,433,259)	Appropriations	7,433,259	To increase capital reserves from Walworth Town Hall insurance receipts .
Appropriations	(800,000)	Direct revenue funding of capital	800,000	Reserve contribution towards the construction costs of Camberwell Library

Movements in reserves to be noted for Quarter Three

Department From	Amount £	Department to	Amount £	Description of the budget movement
Finance and Governance	(122,256)	Appropriations	(122,256)	Increase of Land Charges Reserve following receipt of Land Charges (Tinklers settlement) Grant
Appropriations	(100,000)	Direct revenue funding of capital	(100,000)	Southwark's contribution towards the cost of refurbishing 177-179 Walworth Rd as per lease agreement (SCU) .

Item No. 10.	Classification: Open	Date: 9 February 2015	Meeting Name: Cabinet
Report title:		Quarter 3 Capital Monitoring for 2015/16 and Capital Programme Refresh for 2015/16-2024/25	
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

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

Our capital investment programme is delivering on so many of our Fairer Future promises such as our Warm, Dry and Safe council housing upgrades, building 11,000 new council homes, ensuring every child has a local school place and delivering new libraries and leisure centres.

I would particularly like to note the completion in quarter 3 of The Green, the new Nunhead Community Centre, which opened to the public on the 11th January 2016 and is already busy and well used by a wide range of groups in the area. The new building is fully accessible and built to the high environmental standards. The Green is managed by local community group, Nunhead Voice and is a key project in the council's regeneration of Peckham and Nunhead area.

RECOMMENDATIONS

That cabinet:

1. Notes the general fund capital programme for the period 2015/16 to 2024/25 as at Quarter 3 2015/16, as detailed in Appendix A and D.
2. Notes the housing investment programme for the period 2015/16 to 2024/25 as at Quarter 3 2015/16, as detailed in Appendix B.
3. Approve the virements and variations to the general fund and the housing investment capital programme as detailed in Appendix C.
4. Approve the re-profiling of the budgets in line with projected expenditure for 2015/16 and future years for both the general fund and housing investment programmes as detailed in Appendices A, B and D and note the resources available for the capital programme based on latest information available at Quarter 3 2015/16.

BACKGROUND INFORMATION

5. The scale of the capital programme being managed within the council is

immense and with a total forecast spend of nearly £2 billion the capital programme represents a major element of the council's financial activities. It has a significant and very visible impact on the borough and hence on the lives of those who live, learn, visit and or do business in the borough.

6. The quarter 2 2015/16 capital monitor report indicated that expenditure of £25.8m had been incurred on the general fund capital programme against a budget of £125m which represented a spend of 20.6% to budget as at quarter 2..
7. The quarter 2 2015/16 capital monitor report also reflected a spend of £72.9m on the Housing Investment Capital programme against a budget of £352.6m which represented a spend 20.6% against the budget for the year.
8. Due to the size and scale of the capital programme and the number of projects involved, it is inevitable that unforeseeable delays can occur which lead to some variations against planned spend. Historically the capital programme has been over programmed in year to compensate for these variations, whilst retaining a balanced programme overall.
9. The capital programme is subject to on-going review by service managers and the quarter 2 2015/16 capital monitor report noted that some of the expenditure forecast will need to be updated as the capital schemes progress through the year and budgets will need to be re-profiled at quarter 3 for 2015/16 and future years based on latest information available at that time..
10. This report sets out the latest re-profiled budget and forecast outturn position for 2015/16 and future years for the General Fund and the Housing Investment Programme (HIP).

KEY ISSUES FOR CONSIDERATION

General Fund Capital Spend

11. The quarter 3 capital monitor report indicates that expenditure of £44.5mm incurred at quarter 3 and forecasts an outturn position of £80.3m for 2015/16. The budgets have been re-profiled in line with these projections and the summary position and the programme details by departments are reflected in Appendices A and D respectively.

Housing Investment Programme Spend

12. The total re-profiled budgets on the Housing Investment Programme for 2015/16 is £261.2m and the expenditure incurred at quarter 3 is £152.4m. The majority of the expenditure on the Housing Investment Programme relates to the numerous works on the Warm, Dry and Safe programmes which is forecast to spend £150m in 2015/16. Details of the schemes and budgets within the Housing Investment Programme are reflected in Appendix B.

Resource implications

13. The council's capital resources are comprised of the following:
 - capital receipts from disposal of property
 - grants
 - external contributions

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

Section 106 and Community Infrastructure Levy

17. The 2015/16 quarter 1 monitor report to cabinet explained Section 106 (S106) agreements, otherwise known as planning obligations, and the Community Infrastructure Levy (CIL) as two of the sources for funding the capital programme.

Contributions from Earmarked Reserves

18. Reserves are funds set aside from favourable variances in the revenue and capital budgets. They can also be planned contributions to meet contractual commitments or future expenditure plans which may include risks or liabilities that arise at a later date. The three reserves which have relevance for funding the capital programme are outlined below:
- modernisation reserve supports one-off expenditure or multi-year projects designed to modernise and further improve the operational efficiency of Southwark's service provision.
 - the regeneration and development reserve funds one-off expenditure and multi-year projects delivering regeneration and development across the borough.

Relevant projects include the Aylesbury Estate Regeneration, Canada Water, and Elephant & Castle Regeneration.

- compliance and planned preventative maintenance reserve which may be used to support activities upgrading the wider council estate in line with legislative and/or preventative maintenance requirements.

Capital Receipts

19. The council operates a ten-year disposals programme and the planned disposals generate capital receipts which the council can use as a funding source to finance capital expenditure.
20. The disposals programme is subject to ongoing review by officers to mitigate the risk of funding unavailability due to timings or amounts received in year. The capital receipts forecasts together with other sources of funding will be monitored on a regular basis to ensure adequate funding for the capital programme. In the event that in-year funding generated by disposals is insufficient to meet the level of expenditure, alternative short term sources of funding may need to be accessed or projects deferred or re-profiled. Short term sources of funding include use of earmarked reserves and/or accelerating the disposals programme.

Capital Grants

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

Resourcing to Quarter 2 2015/16

23. As at quarter 3 2015/16, capital receipts of £22.7m and £31.9m had been received from the general fund and housing receipts respectively for the financial year 2015/16.
24. At the end of quarter 3 2015/16, 45.1m other income had been received including £7.4m of education related grants and £25.6m secured through S106 and CIL agreements.
25. The above resources will be monitored and applied as appropriate to schemes in 2015/16.

Programme position at Quarter 2 2015/16

26. Attached at Appendix A is a summary of the general fund programme position as at quarter 3 of 2015/16. This shows a total expenditure budget of £625m budgeted over the programme from 2015/16 to 2024/25.
27. Attached at Appendix B is a summary of the housing investment programme

position as at quarter 3 of 2015/16. This shows a total expenditure budget of £1,391.4m over the programme from 2015/16 to 2024/25.

28. Appendix C shows the budget virements and variations arising in quarter 3 of 2015/16 for approval by cabinet.
29. Appendix D shows a more detailed view of the general fund programme on individual projects or groups of projects over the period 2015/16 to 2024/25.
30. This programme position will continue to be monitored and reviewed over the remainder of the financial year and the final outturn position will be reported to cabinet.

Departmental Updates

31. The sections below provide commentary on the budget position by departments for 2015/16.

GENERAL FUND (APPENDIX A)

Children's and Adult Services

32. In summary, the capital programme across Children's and Adults Services for the period 2015/16 to 2024/25 at quarter 2 was £165.2m. It is requested to add £39.2m DfE grant to the programme for the Charter School East Dulwich. Interdepartmental virements as a result of the council restructures total an additional £2.1m added to the CAS programme. This makes a revised total programme of £206.5m. The revised annual budget for 2015/16 was £22.6m and the expenditure incurred at quarter 3 was £14.6m. The forecast expenditure for 2015/16 after re-profiling is £22.6m.

Children's Services

33. The capital programme for 2015/16 to 2024/25 at quarter 2 was £144.7m. The December 2015 cabinet gave approval for the council to enter into an agreement with the EFA for the provision of a new eight form entry Charter School East Dulwich. The EFA will provide £39.2m grant funding and the council has agreed £5m allocation from the existing adults capital programme. The revised children's programme is £191m. The re-profiled annual budget for 2015/16 is £21.3m. The expenditure incurred for quarter 2 was £14.1m. The forecast for the current year has been re-profiled to £21.3m due to the additional time incurred in addressing the cost pressures of the expansion programme.
34. The main areas of expenditure for 2015/16 will be:
 - £800k for 2 year old places
 - £3.0m schools maintenance programme
 - £600k temporary expansion, and
 - £15.6m on permanent expansion
 - £1.3m on ICT upgrades and adult education premises
35. As the main expansion programme is progressing with enabling works, designs and main contract tenders, there are a number of cost pressures arising. The main reasons are construction industry inflation associated with a high volume of

construction in London and the south east and site specific abnormals. Contractors are required to demonstrate that they are achieving competitive value for money prices and commercial discussions are on-going with the contractors.

36. The total cost of the primary expansion programme for 2015/16 to 2018/19 is currently forecast to be £115m with the main contracts still to be tendered and agreed. This is mainly due to the insurance requirement to fit sprinklers to some new buildings, specific site abnormals including land contamination, works to listed buildings and the requirements of Transport for London. The re-profiled programme can be contained within the existing identified budget.

Adults' Services

37. The capital programme for the period 2015/16 to 2024/25 at Q2 was £20.5m. £5m allocation to The Charter School East Dulwich was agreed by cabinet in December 2015. The revised adults programme is now £15.6m and the re-profiled budget for 2015/16 is £1.3m. The expenditure incurred at quarter 3 was £512k. The main works in 2015/16 include major refurbishments at the Anchor Trust properties, re-profiled works at Orient Street and the Brandon Trust properties and the expansion of the Telecare service

Southwark Schools for the Future

38. The capital programme for the period 2015/16 to 2024/25 is unchanged from quarter 2 at £38.4m and the revised annual budget for 2015/16 is £2.1m with the total forecast expenditure at £2.1m as a result of re-profiling of budgets for ICT and council retained liabilities. The expenditure for quarter 3 was £718k. Forecast expenditure in 2015/16 will be on ICT equipment, lease payment for Highshore and retention on completed schools.
39. The final stage of the SSF programme will be SILS KS3/4. A budget of £8m has been earmarked for this purpose whilst plans are being drawn up. The costs budget can be contained within the existing identified programme budgets.

Finance and Governance

40. Information & Data Services Division (IDSD) & Corporate Facilities Management (CFM) are now reflected under Housing and Modernisation department following the senior management restructure which moved services between departments, agreed by cabinet on 28 July 2015 and took effect from 1 October 2015.

Environment & Leisure

Summary

41. The total value of the departmental capital programme for the period 2015/16 to 2024/25 is £111m. The latest projected spend for the year is estimated to be £16.8m compared to a budget set at the start of 2015/16 of £26.8m. The budget has been re-profiled to reflect this.
42. The overall net variance which arises from re-profiling of the expenditure is proposed to be carried forward into 2016/17 and future years.

43. The progress of major schemes is outlined below.

Highways

44. The Highway Asset investment programme (non-principal and principal roads) is programmed to spend £5.1m as compared with projection of £6m in quarter 2. There have been significant savings against budget on a number of projects, reduced spend on devolved highway funding due to late decisions by Community Councils, and although additional projects have been commissioned from our contractors, due to the long lead in times required, it is not anticipated that the full underspend can be recovered. By year end, 98 footway schemes and 91 carriageway schemes will have been completed, giving 11.4km of new carriageway surfacing and 8.9km of new footway surfacing.
45. The Cleaner Greener Safer (CGS) programme is forecast to spend £1.7m and deliver 200 projects. The backlog of projects at the end of each financial year has decreased annually from 183 at the end of 2010/11 to just 67 at the end of 2014/15. The current forecast for the end of 2015/16 is for 101 existing projects remaining live in 2016/17. This continues the downward trend of projects over one year old at the start of the new financial year evidenced since 2009/10. Of these 26 are older than one year (pre-2015/16 awards) and 75 are 2015/16 awards.
46. There will be an increase in the number of 2015/16 projects remaining live at the end of the financial year. This is due to a number of factors: a number of projects awarded part funding in 2015/16 and earlier; the impact of major projects on housing estates (e.g. Warm, dry and Safe) delaying the start of CGS works; a number of larger projects and grants which require a longer programme to deliver; and grants which are beyond the control of the CGS team.
47. The cycle infrastructure fund is forecast to spend £75k on scoping and design work for the Southwark Spine. This is a reduction from the previous forecast of £100k and reflects the prioritisation of TfL-funded routes where funding is more tightly time-limited. The 20mph programme is on course to spend £220k this financial year on surveys, monitoring, preparation and design work for further physical interventions in 2016/17 and 2017/18.

Leisure

48. The implementation of the cemetery strategy continues in order to create further burial spaces and make associated infrastructure improvements. There has been significant progress with some projects in particular the completion of the lodge refurbishment works and the replacement of one of the cremators. Despite the on-going campaign to prevent the creation of new burial space within existing cemeteries full planning permission was granted in October for Areas Z and D1. However both schemes require faculty permission and this has created further delays to the programme. However the spend is largely on track for this year.
49. Major Parks: Burgess Park projects being progressed include the Southern Entrance project which will include a new play area, an increased area for ecology, a new water body and a new welcoming entrance. Other projects include new toilet provision and a repair to a significant wall within the park. Southwark Park Masterplan is progressing well with consultants appointed to develop the detailed designs for planning. The Major Parks Programme is

projecting to spend £579k compared to a budget of £1.29m and the variance has been re-profiled into future years..

50. Nelsons Square project was awarded full planning permission in July but fell behind schedule due to ward councillor and community concerns. The project is now back on track and the £654k variance has been re-profiled into 2016/17..
51. Works to phase one of the Southwark Athletics track recommenced at the end of June 2015 following sign off of planning conditions. The works have progressed well and are on budget. They will be complete by the end of financial year. Plans for phase two (building refurbishment) are currently being developed with the main spend forecast for the first quarters of the new financial year.
52. The Peckham Pulse capital works, which included the redecoration of the pool halls, the replacement of the pool hall air handling unit and the re-grouting of the pool wet side floor tiles, were completed in quarter 2 of 2015/16. The pool halls re-opened in May 2015. A series of Energy improvements projects will commence in quarter 4 of 2015/16, with a new building management system (Combined Heat and Power Plant, and Voltage Optimisation Unit) installed by end of March 2016, with lighting upgrades completing in early 2016/17. Further refurbishment work including a new reception area is programmed for early 2016/17 slipping beyond 2015/16 and the £425k variance will be re-profiled into 2016/17.
53. Works to improve Seven Islands Leisure Centre will be tendered in quarter 4 of 2015/16. The works which include upgrades to the swimming pool, changing rooms, and reception will commence in early 2016/17.

Service Development Division

54. The energy investment programme is currently being reviewed and has therefore been re-profiled for future years. It is anticipated that a long term programme will be agreed with facilities management and property by quarter 2 of 2016.

Chief Executive's Department

55. The current value of the capital budget for the department over 2015/16-2024/25 period is £195.2m, and includes funding confirmed since the last quarterly report was presented to Cabinet, of an additional budget of £8.6m, of which £7.6m relates to additional budget to be agreed by cabinet for the redevelopment of Peckham Rye Station and the immediate environs; £1m of New Homes Bonus grant for the building of construction skills centre within the Elephant and Castle regeneration area and budget virement of £500k from Chief Executive's department to Environment and Leisure. The budget virement of £500k will fund the delivery of Nelson Square improvements project.
56. The regeneration of Peckham and environs is a key priority for Southwark Council and the Gateway to Peckham project is at the forefront of the regeneration programme. In July 2011, the Council Assembly agreed to a £10m programme for a scheme focused on Peckham Rye Station with the aim of reinstating the heritage of the station building and create new opportunities to enhance the potential of the area.

57. In late 2011, the department submitted a funding bid to Greater London Authority (GLA) Mayor's Regeneration Fund to deliver the Gateway to Peckham project. The bid was successful and a grant of £5.25m was approved, resulting in a combined budget of £15.25m for the project.
58. Following public consultation in 2014, the scheme has been reduced in scale to focus on the creation of a new square in front of the Station, refurbishment of a number of railway arches and refurbishment of a building on Blenheim Grove. The revised scheme allows for the proposals for Dovedale Court and the buildings on Holly Grove to come forward at a later date following consultation.
59. Since the project initiation in 2011, various developments, such as the expansion of the Compulsory Purchase Order (CPO) boundary agreed by Cabinet on 17 November 2015; the provision of a new commercial site on Bournemouth Close for Black and Minority Ethnic businesses affected by the development; increased construction costs; disturbance costs for businesses affected by CPO; leaseholder fees, external legal fees and the inclusion of Dovedale Court refurbishment (at a later point) into the programme have resulted in a budget shortfall of £7.6m. The budget variation to meet this shortfall is included in Appendix C for cabinet approval.
60. Performance in 2015/16 has been steady with expenditure of £16.7m at the end of quarter 3 against full year forecast of £28.3m. The expenditure of £16.7m equates to 59% of full year projected expenditure. The full year expenditure forecast of £28.3m is a downward revision of £1m from Q2 and follows a thorough review of planned expenditure for the remainder of the year.
61. This year, the council secured approximately £9 million in funding from Transport for London (TfL). Majority of the schemes is commissioned and on-site. More than half of this is from the Quietways funding to continue the programme of improved cycle routes started in 2014. The key areas for improvement this year include pedestrian and cycle improvements at Crystal Palace Parade, completion of public realm improvements in the areas of Bellenden, Brayards and Coleman Road and the delivery of a significant number of cycle parking spaces. The major investment in Camberwell Town Centre public realm is on-going and will continue into the next financial year.
62. A number of public realm and environmental improvements projects were completed in quarter 3. These include the environmental improvements and traffic calming in Hadfields working with partners at Lambeth Council; works to the community garden at All Hallows; the comprehensive remodelling of the triangle site at Queen Elizabeth Street which included the refurbishment of the Samuel Bourne Bevington, a grade 2 listed statue in partnership with Team London Bridge BID and Berkley Homes; the completion and launch of the Albert McKenzie memorial on Tower Bridge Road; and the cleaning, refurbishment and lighting of three tunnels - Dockley Road, Millstream and Gedling Place which were on the Community Infrastructure Projects List.
63. A further programme of projects is currently on site and being delivered in 2015/16. These include the environmental improvements of Queens Road, Peckham; a series of small scale projects in Meeting House Lane and the environmental improvements on Brayards Road. These three projects are the culmination of the Area Renewal programme. Other projects currently under development include the shop front programmes on Harper Road, Lower Road,

Tower Bridge Road, East Street and Walworth Road. Lower Road and Tower Bridge Road are part of the GLA's New Homes Bonus funded programme while East Street and Walworth Road are supporting the GLA's High Street Fund programme being delivered by Regeneration South team.

64. The new Nunhead Community Centre, known as The Green, opened to the public on the 11th January 2016 and is already being used by various groups in the area. The new building is fully accessible and built to high environmental standards to reflect the standards Southwark expect in all its new buildings. The Green is managed by local community group, Nunhead Voice, both as a commercial venture and a community asset. It is a key project in the Council's regeneration of Peckham and Nunhead area. The regeneration of Elephant & Castle is progressing with the completion of a £20m new leisure centre, The Castle, scheduled to open in April this year.

Housing and Modernisation

Summary

65. The capital programme for the department now reflects the senior management restructure which moved services between departments, agreed by cabinet on 28 July 2015 and took effect from 1 October 2015. The total value of the general fund capital programme for the period 2015/16 to 2024/25 is £73.7m. Total expenditure incurred at quarter 3 is £4.9m and the forecast spend for 2015/16 is £10.5m. The following narratives provide details by service areas.

Information & Data Services Division (IDSD) & Corporate Facilities Management (CFM)

66. The capital programme continues to focus on two key areas: Information technology infrastructure projects and premises-related improvements to the council's operational buildings. The total capital programme for the division stands at £53m of which £8m was set to be delivered in 2015/16. However the forecast spend this quarter stands at £6m. It should be noted that responsibility for reporting on the implementation of the new social care system has moved from IDSD to children's and adults services and is therefore not reflected in the figures above.
67. Information technology remains a key component to the council's ability to successfully deliver services efficiently and effectively going forward. As reported previously, over the next ten years the council will continue to update and improve the IT infrastructure and networks with spend this year expected to be in the region of £3.6m.
68. Facilities management will over the next ten years deliver a comprehensive planned preventative maintenance and compliance programme for the assets and fabric of the operational estate that fully supports the delivery of front line services. Spend in 2015/16 is expected to be £1.0m, compared to £1.6m reported at quarter 2 reflecting the slippage of certain projects into the early part of 2016/17 which is not exceptional given their nature and size.
69. In addition to this, work continues on the re-instatement of Walworth Town Hall, which was significantly damaged by fire in March 2013. Spend at quarter 3 for the pre design and build phases for which corporate facilities management have

had responsibility for delivering is currently £1.3m and is forecast to rise to £1.5m by year end, which requires an increase to the current budget of £337k. This increase in budget will be fully funded from earmarked reserves.

Housing Renewal

70. The Brayards Road Improvement Zone group repair scheme (BIZ) is the last group repair project for the East Peckham and Nunhead Renewal Area. The project will provide health and safety repair works and environmental improvements to 53 street properties of mixed tenures. Phases one and two of the project have completed, with Phases 3 and 4 underway. The majority of the properties completed in the first phases were council owned properties. Given this, projected capital spend will occur in quarter 4 on both housing general fund and housing investment programme capital budgets. The project is due to complete in February 2016.
71. The Disabled Facilities Grant (DFG) programme has to date approved schemes costing £956k. The unit is on track to meet the target of 95 completions this year, delivered on budget. The greater part of DFG expenditure usually occurs in quarters 3 and 4, when most of the schemes are completed and commitment is realised. The 2015/16 DFG subsidy allocation of £613.7k has also been received via the better care fund.

Housing Investment Programme (APPENDIX B)

72. The total value of the Housing Investment Capital Programme for the period 2015/16 to 2024/25 is £1,391.4m. Total expenditure incurred at quarter 3 is £152.4m and the forecast spend for 2015/16 is £261.2m. 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

73. £100m was spent in 2014/15 on warm dry and safe, ahead of the £90m original forecast, bringing total spend to £283m at the end of 2014/15. At the start of 2015/16 the WDS programmes were estimated to spend £200m, with spend now being committed against the initial budget of £985m for the housing stock programme approved in quarter 3 2013/14. At the end of quarter 3 2015/16, £91.3m has been spent on WDS and current forecasts are estimating around 75% of the £200m will be spent, which includes an element of savings on committed contracts. This year is likely to be highest investment in existing stock in the council's history. The WDS programmes will be fully committed, with a few exceptions, by March 2016 and a 90% decency target has also been set for March 2016.
74. Both 2 year programmes and WDS 2012 major works are now complete.
75. Ten of the twelve WDS 2013 major works schemes are committed, with 7 achieving practical completion. Tustin is delayed but refurbishment works are due to start in 2016/17. Acorn was delayed pending regeneration works but is due to start in 2015/16.
76. 39 of the 41 WDS 2014 major works schemes are committed, with 17 completed. Portland Estate requires major structural works but due on site in

2015/16 and D'Eynsford Estate externals on hold pending district heating works.

77. 75 of the 102 WDS 2015 major works schemes are on site or completed. 28 have been completed, with the remainder starting in 2015/16 with a couple of schemes possibly starting at the start of 2016/17.
78. The trend of schemes requiring more resources than the original 2010 stock condition survey estimate has continued, meaning that the existing WDS budget is effectively committed with resources for now being allocated from the initial £985m capital bid allocation to complete the programme.
79. Following the manifesto commitment to deliver a kitchens and bathroom programme, a programme of works is being put together to be delivered alongside the major works programme for 2015/16. Costs have been included in the capital refresh for 2015/16 and are currently estimated to be £11m for the current year.
80. 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 was submitted for Decent Homes Backlog funding in 2015/16 and a potential £53m 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.
81. Both the Four Squares and Hawkstone WDS/HINE projects continue on site, with Hawkstone completing in 2015/16 and Four Squares completing in quarter 1 2016/17. The main Abbeyfield scheme (Maydew) is now due to start on site in late 2016/17. The HINE allocation for Four Squares was increased to £28.7m following structural issues and the scope of works required to complete the scheme.
82. All the remaining programmed 2015/16 WDS district heating schemes are now expected to be committed this financial year or early 2016/17.
83. All high rise blocks with a substantial risk from the fire risk assessments have been completed as part of the FRA Programme. All the higher moderate risk high rise blocks are also complete except for works being completed to coincide the WDS programme. £2.3m has been allocated to complete substantial medium rise FRA works which are also being completed in 2015/16 alongside planned WDS works. Sidmouth has also been added to the programme and will start on site in quarter 4 2015/16.
84. 1,937 homes fell into non-decency at the start of 2015/16 meaning the Decency level fell from 65.3% at 2014/15 year end to 60.07% at the start of 2015/16. The decency level at the end of the quarter 3 was 72.0% (up 12% since the start of year), with around a further 40 schemes due to complete by the end of 2015/16. A 90% decency target has been set for March 2016.

Future years budgets

85. A draft asset management strategy is currently under consultation and due to go back to cabinet for approval in March 2016. This outlines a future investment requirement of £797m over the next 8-10 years from 2016/17 as well as existing commitments from the WDS programmes. Following approval, the remaining

budgets on the housing stock programme will be reviewed against the resource requirement outlined in the strategy.

Direct Delivery Schemes and 11,000 New Homes Programme Hidden Homes – Refurbishment

86. Five Hidden Homes were completed at the start of this year, with 2 further Hidden homes currently on site and a further 6 with planning approved and being progressed using existing budgets.

Direct Delivery

87. Direct Delivery programme comprising of 8 sites are on site. Willow Walk has been the first newly built homes delivered as a result of this programme. The 54 short stay accommodation completed in quarter 2 with the 21 general needs housing completed in quarter 3. These units are being funded through a mixture of RTB receipts, GLA grant funding, S106 Affordable housing fund of £5,262,998 and other capital funding.
88. Main construction works on seven other sites at Long Lane, Masterman House, Clifton Estate, Gatebeck and Southdown on the East Dulwich Estate, Cator Street and Nunhead Green site B started in January 2015. These works are due to complete between January and September 2016. Enabling works at Sumner Road has also commenced with the main works due to commence in 2016.
89. The estimated cost of the works to these 7 sites is approximately £42.3m excluding Sumner Road. This is currently being funded from various funding streams; £27m from S106 Affordable Housing Fund and the balance funded from a combination of other resources including GLA grant (Building the Pipeline) £1.8m, an estimated £4.3m from sales; £8.7m from the reserved part of the RTB receipts set aside for new build and from other capital resources.
90. A further 13 schemes are being worked up for planning approval but are not expected to start on site until 2016/17. There is some allowance of fees within the overall profile, however, there will not be significant spend within this financial year.

Summary Position

91. The provisional estimated cost of the schemes on site is £54.3m (excluding Sumner Road, which is yet to be finalised). The programme is forecasting to spend of £26m down from the original £35m estimated for 2015/16 with over 21m spent to the end of December.

East Dulwich Estate regeneration Programme

92. Void for Sale – Cabinet agreed the sale of 50 voids to help finance the regeneration of the estate. Of that 50, 43 have been sold. A further 5 have been identified and, in order to achieve best value, require decoration to market standard prior to disposal. These works should take place in quarter 4.
93. Drying Room Conversions - This consists of the conversion of 18 drying rooms in Phase 1 and Phase 2 which have been completed for private sale. Phase 1

included the creation of 9 units and these have been sold. The 7 units from Phase 2 have been sold and the other 2 are under offer. There is also an opportunity to convert a further 6 drying rooms with the completion of feasibility studies and the intention is to start works in quarter 4.

94. Badminton House - Refurbishment of an 11 unit block with a drying room conversion making a total of 12 units of which 3 will be for private sale and the remaining 9 for social rent. Works started in July 2014 and completed in June 2015.
95. Environmental Works – The environmental works programme has been decoupled from the health and safety works that are currently underway on the estate. However, the health and safety works have taken up a much large proportion of the budget than initially anticipated, so more funding may be required.

Elmington Estate Regeneration

96. The refurbishment work Drayton House, Brisbane Street, Proctor House, Flatman House and Langland House have been completed.
97. The rehousing of tenants to achieve vacant possession for new build is still on track for Phase 3 with 1 tenant and 17 leaseholders remaining. The CPOs for 2 of the 3 sites have been confirmed. Confirmation of the third order is expected within quarter 3. Therefore, it is anticipated that a large number of the remaining households will be decanted in quarter 4.

Wooddene Regeneration Project

98. Re-provision of a heat and hot water plant within the Wooddene energy centre to serve the Acorn Estate: Due to delays with start on site, handover of the energy centre has slipped from January to April 2016. Therefore the works will happen in this financial year.

Purchase of S106 Properties from Developers

99. Salter Road: Contracts expected to exchange in January 2016 and the agreed purchase price is £6.1m ((exempt for VAT with the agreement due to go unconditional by February 2016. Fees are in the region of £66k.
100. Blackfriars: This purchase exchanged on 22 December 2015 at a final price of £10.7m (zero-rated for VAT), which is an additional £128k over the previously agreed price. This uplift represents upgrades to the mechanical & electrical specification and the lift specification, which were required to meet council standards across its managed estate. Fees are in the region of £129k.

Risks on Council's Development and Refurbishment Projects

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

time of current market conditions needs to be given full consideration in both the feasibility and development stages of emerging projects.

Resource Re-profiling

102. The budgets across the capital programme were re-profiled at 2014/15 outturn based on the information available at that time. However, due to the size of the capital programme and the number of projects involved, it is inevitable that unforeseen delays can occur leading to some variation against planned expenditure. The capital programme has been subject to on-going review by service managers and the budgets have been re-profiled at quarter 3 based on the latest information available. The current re-profiled budgets will be used to identify the variances on the programme budgets against the 2015/16 outturn position.

Community impact statement

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

Resource implications

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

Legal implications

108. The legal implications of this report are identified in the concurrent report of the director of law and democracy.

Financial implications

109. This report fully explores the financial implications of the capital programme for the general fund and the housing investment programme at quarter 3 of 2015/16. The report also presents an updated position on the refreshed capital programme over the period 2015/16 to 2024/25 on the predicted resources and expenditure across this period.

Consultation

110. 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 Law and Democracy

111. 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.
112. The capital programme satisfies the council's duty under the Local Government Act 1999 which requires it to make arrangement to secure the continuous improvement in the way its functions are exercised, by having regards to the combination of economy, efficiency and effectiveness.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Quarter 2 Capital Monitoring for 2015/16 and Capital Programme Refresh for 2015/16-2024/25 Report (Item 10)	Southwark Council Finance and corporate services 160 Tooley Street London SE1 2QH	Jay Nair, Senior Finance Manager, Finance and Governance.
Link: http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=5141&Ver=4		

APPENDICES

No.	Title
Appendix A	General fund summary monitoring position at quarter 3 2015/16
Appendix B	Housing investment programme summary monitoring position at quarter 3 2015/16
Appendix C	Budget virements and variations at quarter 3 2015/16
Appendix D	General fund programme detail at quarter 3 2015/16

AUDIT TRAIL

Cabinet Member	Councillor Fiona Colley, Finance, Modernisation and Performance		
Lead Officer	Duncan Whitfield, Strategic Director of Finance and Governance		
Report Author	Jay Nair, Senior Finance Manager, Finance and Governance		
Version	Final		
Dated	28 January 2016		
Key Decision?	Yes		
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER			
Officer Title		Comments Sought	Comments Included
Director of Law and Democracy		Yes	Yes
Strategic Director for Finance and Governance		N/a	N/a
Cabinet Member		Yes	Yes
Date final report sent to Constitutional Team			28 January 2016

General Fund Summary Monitoring Position Quarter 3 2015/16

Appendix A

Department	2015/16				2016/17			2017/18+			Total Programme 2015/16 - 24/25		
	Revised Budget	Spend to date	Forecast	Variance	Revised Budget	Forecast	Variance	Revised Budget	Forecast	Variance	Revised Budget	Total Forecast	Total Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Children's and Adult Services	22,555	14,559	22,555	0	96,792	96,792	0	87,202	87,202	0	206,549	206,549	0
Southwark Schools for the Future	2,124	718	2,124	0	5,470	5,470	0	30,760	30,760	0	38,354	38,354	0
Finance and Governance	50	50	50	0	0	0	0	0	0	0	50	50	0
Environment	16,765	7,482	16,765	0	31,294	31,294	0	63,048	63,048	0	111,107	111,107	0
Housing General Fund	10,515	4,950	10,515	0	10,420	10,420	0	52,788	52,788	0	73,723	73,723	0
Chief Executive	28,367	16,786	28,367	0	50,064	50,064	0	116,835	116,835	0	195,266	195,266	0
TOTAL EXPENDITURE	80,376	44,545	80,376	0	194,040	194,040	0	350,633	350,633	0	625,049	625,049	0
FINANCED BY:													
Capital Receipts	39,440	22,721	36,928	(2,512)	138,479	25,000	(113,479)	203,333	241,500	38,167	381,251	303,428	(77,823)
Reserves	3,311	1,519	3,311	0	4,846	4,846	0	4,480	4,480	0	12,637	12,637	0
Revenue	1,590	1,390	1,590	0	0	0	0	50	50	0	1,640	1,640	0
SSF Capital Grant	0	0	0	0	0	0	0	26,107	26,107	0	26,107	26,107	0
Capital Grants	25,282	20,427	25,282	0	32,682	32,682	0	66,286	66,286	0	124,250	124,250	0
New Homes Bonus	0	0	0	0	0	0	0	0	0	0	0	0	0
Section 106 Funds	10,267	2,651	10,267	0	17,196	17,196	0	50,377	50,377	0	77,840	77,840	0
External Contributions	486	169	486	0	837	837	0	0	0	0	1,323	1,323	0
Pay back of Children Services grant	0	0	(412)	(412)	0	(412)	(412)	0	(3,296)	(3,296)	0	(4,120)	(4,120)
TOTAL RESOURCES	80,376	48,877	77,452	(2,924)	194,040	80,149	(113,891)	350,633	385,504	34,871	625,049	543,105	(81,943)
Forecast variation (under)/over	0	(4,332)	2,924	2,924	0	113,891	113,891	0	(34,871)	(34,871)	0	81,944	81,943

Project description	2015/16				2016/17		
	Revised Budget	Spend to date	Forecast	Variance	Revised Budget	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
WDS carry-over schemes	14	14	14	0	0	0	0
WDS 2-year programme	660	640	660	0	2,430	2,430	0
WDS 2012 major works	4,423	2,946	4,423	0	411	411	0
WDS 2013 major works	5,633	4,564	5,633	0	1,647	1,647	0
WDS 2014 major works	33,471	24,178	33,471	0	21,612	21,612	0
WDS 2015 major works	91,216	50,662	91,216	0	96,519	96,519	0
FRA works	550	159	550	0	2,125	2,125	0
M&E electrical	83	83	83	0	608	608	0
M&E heating	7,263	2,525	7,263	0	6,249	6,249	0
M&E lifts	790	748	790	0	42	42	0
WDS voids works	4,000	3,306	4,000	0	88	88	0
WDS Unallocated Budget	113	25	113	0	371	371	0
HINE WDS works	2,762	1,456	2,762	0	3,170	3,170	0
WDS Leathermarket JMB	371	0	371	0	0	0	0
Housing Stock - New Programme	11,685	806	11,685	0	63,343	63,343	0
Additional FRA Works	150	83	150	0	615	615	0
HINE additional works	13,373	10,582	13,373	0	7,915	7,915	0
Aylesbury Estate PPM works	549	0	549	0	1,109	1,109	0
Aylesbury Estate regeneration	11,600	9,204	11,600	0	7,050	7,050	0
Bermondsey Spa refurbishment	232	0	232	0	556	556	0
East Dulwich Estate	3,293	1,140	3,293	0	935	935	0
Elmington Estate	2,843	250	2,843	0	136	136	0
Heygate Estate	2,915	406	2,915	0	4,981	4,981	0
Hidden Homes	449	12	449	0	0	0	0
Hostels new build	2,448	2,410	2,448	0	800	800	0
Local authority new build	123	12	123	0	120	120	0
Misc regen, acquisitions and home loss	239	9	239	0	0	0	0
Purchase of S106 Prop from Developers	14,251	10,967	14,251	0	3,096	3,096	0
Direct Delivery - New Council Homes	25,934	18,550	25,934	0	49,349	49,349	0
Adaptations	2,109	1,418	2,109	0	2,003	2,003	0
Affordable housing through commuted sum	0	0	0	0	0	0	0
Cash incentive & Home owner buy back sch	1,910	349	1,910	0	2,491	2,491	0
Digital switchover	0	0	0	0	0	0	0
Disposals costs	500	86	500	0	379	379	0
Energy	507	0	507	0	0	0	0
Installation of Sprinkler & Smoke detectors	7,557	220	7,557	0	11,680	11,680	0
Lakanal House	3,262	2,860	3,262	0	10,129	10,129	0
Fire damage reinstatement	0	0	0	0	778	778	0
Group repairs	272	130	272	0	0	0	0
Hostels accommodation	44	182	44	0	0	0	0
Leasehold / freehold acquisitions	5	5	5	0	1,192	1,192	0
Major voids	1,121	379	1,121	0	839	839	0
Office accommodation	0	0	0	0	0	0	0
Scheme management costs	0	0	0	0	0	0	0
Security	90	1	90	0	10	10	0
Sheltered accommodation	70	35	70	0	302	302	0
T&RA halls	1,720	1,075	1,720	0	3,341	3,341	0
Heating Energy Efficiency Measures	634	0	634	0	5,928	5,928	0
TOTAL	261,234	152,477	261,234	0	314,349	314,349	0
FINANCED BY:							
Capital Receipts b/fwd	6,578	0	6,578	0	0	0	0
Capital Receipts	34,400	0	34,400	0	26,700	26,700	0
RTB Receipts - Restricted to New Build	9,507	0	9,507	0	9,905	9,905	0
Depreciation charge (MRA)	48,900	0	48,900	0	48,800	48,800	0
Major Repairs Reserve (MRR)	39,540	0	39,540	0	0	0	0
Revenue Contribution	25,600	0	25,600	0	28,900	28,900	0
New Homes Bonus	0	0	0	0	0	0	0
Grants (DH backlog funding)	53,036	0	53,036	0	0	0	0
Section 106 Funds & Grants	20,059	0	20,059	0	17,646	17,646	0
External Contributions	0	0	0	0	0	0	0
TOTAL RESOURCES	237,620	0	237,620	0	131,951	131,951	0
Forecast variation (under)/over	23,614		23,614	0	182,398	182,398	0

Project description	2017/18 - Future Years			Total Programme 2015/16-24/25		
	Revised Budget	Forecast	Variance	Revised Budget	Total Forecast	Total Variance
	£'000	£'000	£'000	£'000	£'000	£'000
WDS carry-over schemes	0	0	0	14	14	0
WDS 2-year programme	432	432	0	3,522	3,522	0
WDS 2012 major works	5,357	5,357	0	10,191	10,191	0
WDS 2013 major works	6,730	6,730	0	14,010	14,010	0
WDS 2014 major works	7,592	7,592	0	62,675	62,675	0
WDS 2015 major works	2,097	2,097	0	189,832	189,832	0
FRA works	0	0	0	2,675	2,675	0
M&E electrical	1,027	1,027	0	1,718	1,718	0
M&E heating	203	203	0	13,715	13,715	0
M&E lifts	0	0	0	832	832	0
WDS voids works	0	0	0	4,088	4,088	0
WDS Unallocated Budget	310	310	0	794	794	0
HINE WDS works	2,137	2,137	0	8,069	8,069	0
WDS Leathermarket JMB	0	0	0	371	371	0
Housing Stock - New Programme	696,022	696,022	0	771,050	771,050	0
Additional FRA Works	2,300	2,300	0	3,065	3,065	0
HINE additional works	10,753	10,753	0	32,041	32,041	0
Aylesbury Estate PPM works	0	0	0	1,658	1,658	0
Aylesbury Estate regeneration	45,311	45,311	0	63,961	63,961	0
Bermondsey Spa refurbishment	0	0	0	788	788	0
East Dulwich Estate	0	0	0	4,228	4,228	0
Elmington Estate	0	0	0	2,979	2,979	0
Heygate Estate	0	0	0	7,896	7,896	0
Hidden Homes	0	0	0	449	449	0
Hostels new build	0	0	0	3,248	3,248	0
Local authority new build	0	0	0	243	243	0
Misc regen, acquisitions and home loss	349	349	0	588	588	0
Purchase of S106 Prop from Developers	0	0	0	17,347	17,347	0
Direct Delivery - New Council Homes	0	0	0	75,283	75,283	0
Adaptations	10,000	10,000	0	14,112	14,112	0
Affordable housing through commuted sum	0	0	0	0	0	0
Cash incentive & Home owner buy back sch	0	0	0	4,401	4,401	0
Digital switchover	148	148	0	148	148	0
Disposals costs	0	0	0	879	879	0
Energy	0	0	0	507	507	0
Installation of Sprinkler & Smoke detectors	18,392	18,392	0	37,629	37,629	0
Lakanal House	3,344	3,344	0	16,735	16,735	0
Fire damage reinstatement	0	0	0	778	778	0
Group repairs	0	0	0	272	272	0
Hostels accommodation	0	0	0	44	44	0
Leasehold / freehold acquisitions	0	0	0	1,197	1,197	0
Major voids	0	0	0	1,960	1,960	0
Office accommodation	250	250	0	250	250	0
Scheme management costs	2,727	2,727	0	2,727	2,727	0
Security	300	300	0	400	400	0
Sheltered accommodation	0	0	0	372	372	0
T&RA halls	0	0	0	5,061	5,061	0
Heating Energy Efficiency Measures	0	0	0	6,562	6,562	0
TOTAL	815,781	815,781	0	1,391,364	1,391,364	0
FINANCED BY:						
Capital Receipts b/fwd	0	0	0	6,578	6,578	0
Capital Receipts	225,500	225,500	0	286,600	286,600	0
RTB Receipts - Restricted to New Build	0	0	0	19,412	19,412	0
Depreciation charge (MRA)	474,000	474,000	0	571,700	571,700	0
Major Repairs Reserve (MRR)	0	0	0	39,540	39,540	0
Revenue Contribution	179,200	179,200	0	233,700	233,700	0
New Homes Bonus	1,100	1,100	0	1,100	1,100	0
Grants (DH backlog funding)	0	0	0	53,036	53,036	0
Section 106 Funds & Grants	0	0	0	37,705	37,705	0
External Contributions	0	0	0	0	0	0
TOTAL RESOURCES	879,800	879,800	0	1,249,371	1,249,371	0
Forecast variation (under)/over	(64,019)	(64,019)	0	141,993	141,993	0

FUNDED VARIATIONS AND VIREMENTS FOR APPROVAL at QUARTER 3 2015/16									APPENDIX C
	Children & Adult Services	Southwark Schools for the Future	Finance and Governance	Environment	Housing General Fund	Chief Executive	General Fund Programme Total	Housing Investment Programme	Total Programme Expenditure
	£	£	£	£	£	£	£	£	£
CURRENT PROGRAMME AS AT QTR2 2015	165,240,232	38,353,050	54,972,675	128,765,129	1,451,971	187,149,693	575,932,750	1,391,189,810	1,967,122,560
Quarter 3 - Virements to be approved									
The Charter School East Dulwich 2016/17- 2021/22	5,000,000						5,000,000		5,000,000
Autism Learning provision	(5,000,000)						(5,000,000)		(5,000,000)
Thomas Carlton fabric (tfr from E&L)	314,954						314,954		314,954
Thomas Carlton ICT (tfr from E&L)	70,506						70,506		70,506
Carefirst upgrade (tfr from F&G)	1,727,449						1,727,449		1,727,449
Carefirst upgrade (tfr to HGF)			(1,727,449)				(1,727,449)		(1,727,449)
Keeping Services Operational (tfr to CAS)			(94,898)				(94,898)		(94,898)
System Improvements (tfr to HGF)			(1,400,885)				(1,400,885)		(1,400,885)
Upgrade of IT infrastructure and Core enabling projects (tfr to HGF)			(2,477,383)				(2,477,383)		(2,477,383)
IT planned preventative programme (tfr to HGF)			(8,552,879)				(8,552,879)		(8,552,879)
Property Works Programme (tfr to HGF)			(1,753,240)				(1,753,240)		(1,753,240)
Property Works Programme (tfr to HGF)			(161,729)				(161,729)		(161,729)
Work to Council Buildings DDA (tfr to HGF)			(47,491)				(47,491)		(47,491)
PPM & Compliance Programme (tfr to HGF)			(10,250,000)				(10,250,000)		(10,250,000)
Planned Preventative Maintenance (tfr to HGF)			(27,334,559)				(27,334,559)		(27,334,559)
Walworth Road Fire (TFR to HGF)			(1,122,162)				(1,122,162)		(1,122,162)
Keeping Services Operational (tfr from F&G)					94,898		94,898		94,898
System Improvements (tfr from F&G)					1,400,885		1,400,885		1,400,885
Upgrade of IT infrastructure and Core enabling projects (tfr from F&G)					2,477,383		2,477,383		2,477,383
IT planned preventative programme (tfr from F&G)					8,552,879		8,552,879		8,552,879
Property Works Programme (tfr from F&G)					1,753,240		1,753,240		1,753,240
Property Works Programme (reserve)- tfr from F&G)					161,729		161,729		161,729
Work to Council Buildings DDA (tfr from F&G)					47,491		47,491		47,491
PPM & Compliance Programme (tfr from F&G)					10,250,000		10,250,000		10,250,000
Planned Preventative Maintenance (tfr from F&G)					27,334,559		27,334,559		27,334,559
Walworth Road Fire (tfr from F&G)					1,122,162		1,122,162		1,122,162
Home Repair Loan (tfr from E&L)					1,798,947		1,798,947		1,798,947
Brayards Improvement Zone (tfr from E&L)					1,606,172		1,606,172		1,606,172
Home Repair Grant (tfr from E&L)					1,208,391		1,208,391		1,208,391
Empty Homes Funding (tfr from E&L)					2,225,008		2,225,008		2,225,008
EH1 - 91 Kennington Pk Rd (tfr from E&L)					456,000		456,000		456,000
DFG - Housing Renewal (tfr from E&L)					9,550,532		9,550,532		9,550,532
Small Works Grants (tfr from E&L)					566,519		566,519		566,519
Landlord Loans (tfr from E&L)					636,706		636,706		636,706
EP&N MHL Env Imps (tfr from E&L)					50,959		50,959		50,959
EP&N N&E Environmental (tfr from E&L)					20,763		20,763		20,763
EP&N Paving (tfr from E&L)					250,000		250,000		250,000
EP&N Security (tfr from E&L)					225,000		225,000		225,000
EP&N miscellaneous works (tfr from E&L)					145,341		145,341		145,341
Brayard's Road area						160,000	160,000		160,000
Coleman Road area						180,000	180,000		180,000
North Peckham area						(50,000)	(50,000)		(50,000)
Pocket Places Peckham						(160,000)	(160,000)		(160,000)

[illegible]

FUNDED VARIATIONS AND VIREMENTS FOR APPROVAL at QUARTER 3 2015/16									APPENDIX C
	Children & Adult Services	Southwark Schools for the Future	Finance and Governance	Environment	Housing General Fund	Chief Executive	General Fund Programme Total	Housing Investment Programme	Total Programme Expenditure
	£	£	£	£	£	£	£	£	£
Total variations to be approved at Qtr 3	39,196,350	0	0	939,831	336,754	8,645,005	49,117,940	174,142	49,292,082
TOTAL PROGRAMME BUDGET VIREMENTS & VARIATIONS AT QUARTER 3 2015/16	41,309,259	0	(54,922,675)	(17,657,914)	72,272,318	8,116,952	49,117,940	174,142	49,292,082
REVISED BUDGETS	206,549,491	38,353,050	50,000	111,107,215	73,724,289	195,266,645	625,050,690	1,391,363,952	2,016,414,642
TOTAL VARIATIONS REQUESTED AT QTR 3 TO BE APPROVED									
Capital Receipts						7,653,461	7,653,461	174,142	7,827,603
Major Repairs Allowance									
Reserves					336,754	1,001,796	1,338,550		1,338,550
Revenue									
Capital Grant	39,196,350			622		(10,252)	39,186,720		39,186,720
Section 106 Funds				630,405			630,405		630,405
External Contribution				308,804			308,804		308,804
TOTAL RESOURCES	39,196,350	0	0	939,831	336,754	8,645,005	49,117,940	174,142	49,292,082

GENERAL FUND CAPITAL PROGRAMME- 2015/16 QUARTER 3- REPORT

APPENDIX D

Capital Programme 2015/16 - 2024/25	2015/16			2016/17			2017/18+			Total Programme 2015/16-24/25		
Description of Programme / Project	Revised Budget	Forecast	Variance	Revised Budget	Forecast	Variance	Revised Budget	Forecast	Variance	Revised Budget	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Environment												
Seven Islands Leisure Centre Refurbishment	233	233	0	1,631	1,631	0	0	0	0	1,864	1,864	0
Other OLF Projects	1,547	1,547	0	2,528	2,528	0	0	0	0	4,076	4,076	0
Peckham Pulse Option 1 & 2	545	545	0	1,051	1,051	0	0	0	0	1,596	1,596	0
Leisure centres Lifecycle maintenance	126	126	0	200	200	0	1,050	1,050	0	1,376	1,376	0
Olympic Legacy Phase 2	383	383	0	67	67	0	0	0	0	450	450	0
Castle Leisure Centre	1,100	1,100	0	0	0	0	0	0	0	1,100	1,100	0
SDM Essential H&S Project	144	144	0	1,032	1,032	0	0	0	0	1,176	1,176	0
Other Park projects	182	182	0	1,468	1,468	0	100	100	0	1,751	1,751	0
GMH Park accommodation refurbishment	8	8	0	101	101	0	0	0	0	109	109	0
Newington Ward Park Improvements	50	50	0	391	391	0	0	0	0	441	441	0
Cemetery Burial Strategy	944	944	0	2,222	2,222	0	1,698	1,698	0	4,863	4,863	0
Major Parks	579	579	0	3,488	3,488	0	1,800	1,800	0	5,867	5,867	0
Additional Replacement Tree Planting	112	112	0	50	50	0	350	350	0	512	512	0
Park Infrastructure & Investment Programme	850	850	0	1,860	1,860	0	5,490	5,490	0	8,200	8,200	0
Other Public Realm Projects Funded by S106	93	93	0	364	364	0	20	20	0	477	477	0
Russia Dock Woodland	30	30	0	0	0	0	0	0	0	30	30	0
Nelson Square	50	50	0	654	654	0	0	0	0	704	704	0
Kingswood House refurb	0	0	0	250	250	0	0	0	0	250	250	0
RFID	146	146	0	0	0	0	0	0	0	146	146	0
Grove Vale Library	0	0	0	160	160	0	0	0	0	160	160	0
Canada Water Public Art	81	81	0	15	15	0	0	0	0	96	96	0
Further implementation of RFID in libraries	100	100	0	0	0	0	0	0	0	100	100	0
Refurbishment at Peckham Library	321	321	0	0	0	0	0	0	0	321	321	0
Temporary library at Elephant & Castle	201	201	0	0	0	0	0	0	0	201	201	0
Cuming Museum fit out of temporary premises	75	75	0	0	0	0	0	0	0	75	75	0
Community Safety	17	17	0	0	0	0	0	0	0	17	17	0
Parking contract upfront capital costs	21	21	0	0	0	0	0	0	0	21	21	0
Street Metal Works - Lamp Column Replacement	496	496	0	500	500	0	3,500	3,500	0	4,496	4,496	0
Integrated Waste Solutions Programme	50	50	0	275	275	0	1,500	1,500	0	1,825	1,825	0
Carbon Reduction Investment	0	0	0	525	525	0	1,750	1,750	0	2,275	2,275	0
Walworth Road	0	0	0	0	0	0	38	38	0	38	38	0
Street Care Non Principal Roads Programme	4,104	4,104	0	7,126	7,126	0	25,400	25,400	0	36,629	36,629	0
Principal Road Programme	1,000	1,000	0	1,000	1,000	0	1,000	1,000	0	3,000	3,000	0
Flood Prevention (Highways drainage gulley replacement) Programme	316	316	0	245	245	0	1,715	1,715	0	2,276	2,276	0
Monuments & memorials in the Public Realm	175	175	0	375	375	0	350	350	0	900	900	0
Herne Hill Flood Prevention	381	381	0	0	0	0	0	0	0	381	381	0
Parking Design Projects	45	45	0	0	0	0	0	0	0	45	45	0

GENERAL FUND CAPITAL PROGRAMME- 2015/16 QUARTER 3- REPORT

APPENDIX D

Capital Programme 2015/16 - 2024/25	2015/16			2016/17			2017/18+			Total Programme 2015/16-24/25		
Description of Programme / Project	Revised Budget	Forecast	Variance	Revised Budget	Forecast	Variance	Revised Budget	Forecast	Variance	Revised Budget	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Southbank Accessibility Improvements	0	0	0	205	205	0	0	0	0	205	205	0
20mph Zone	220	220	0	324	324	0	562	562	0	1,106	1,106	0
Cycling Infrastructure Fund	75	75	0	700	700	0	1,156	1,156	0	1,931	1,931	0
Dr Salter Statue	4	4	0	0	0	0	0	0	0	4	4	0
Old Jamaica Road	50	50	0	85	85	0	0	0	0	135	135	0
Astley & Coopers ball court	4	4	0	27	27	0	0	0	0	31	31	0
Grange ward secure cycle storage	25	25	0	0	0	0	0	0	0	25	25	0
CPZ for Rotherhithe and Surrey Quays.	83	83	0	0	0	0	0	0	0	83	83	0
Stevens Street	21	21	0	0	0	0	0	0	0	21	21	0
Balfour Streetscape Improvement	40	40	0	379	379	0	0	0	0	419	419	0
Cleaner Greener and Safer Programme	1,740	1,740	0	1,996	1,996	0	15,570	15,570	0	19,305	19,305	0
Environment Total	16,764	16,764	0	31,294	31,294	0	63,048	63,048	0	111,107	111,107	0
Finance and Governance												
Municipal Bond Agency	50	50	0	0	0	0	0	0	0	50	50	0
Finance and Governance Total	50	50	0	-	-	0	-	-	0	50	50	0
Chief Executive												
Public Realm & Open Space Improvements	1,118	1,118	0	1,358	1,358	0	800	800	0	3,276	3,276	0
Borough & Bankside St.scape Improvements	33	33	0	0	0	0	0	0	0	33	33	0
Bermondsey Streetscape Improvements	344	344	0	444	444	0	633	633	0	1,422	1,422	0
Improving Local Retail Enviroments	107	107	0	0	0	0	0	0	0	107	107	0
Borough & Bankside Tourism Infrastructure	25	25	0	0	0	0	209	209	0	234	234	0
Housing and Area Renewal	75	75	0	505	505	0	600	600	0	1,180	1,180	0
Hatfields Streetscape Improvements	99	99	0	100	100	0	0	0	0	199	199	0
ILRE Phase 2	0	0	0	0	0	0	2,052	2,052	0	2,052	2,052	0
Walworth Road South(Missing bit of the Jigsaw)	0	0	0	0	0	0	2,850	2,850	0	2,850	2,850	0
Roads & Traffic Mgt Improvements	3,142	3,142	0	3,239	3,239	0	0	0	0	6,381	6,381	0
Major Schemes(Lower Road)	160	160	0	100	100	0	0	0	0	260	260	0
Quietways (Cycle paths)	4,228	4,228	0	872	872	0	0	0	0	5,100	5,100	0
Mayor's Air Quality Fund	47	47	0	0	0	0	0	0	0	47	47	0
Bermondsey Spa Public Realm Improvements	28	28	0	470	470	0	0	0	0	498	498	0
Elephant & Castle Open Spaces	211	211	0	2,578	2,578	0	2,900	2,900	0	5,689	5,689	0
Walworth Town Hall	1,400	1,400	0	1,000	1,000	0	17,580	17,580	0	19,980	19,980	0
Rotherhithe Library (Albion Street) Demolition	433	433	0	0	0	0	0	0	0	433	433	0
Charlotte Sharman Lodge Reinstatement	201	201	0	0	0	0	0	0	0	201	201	0
Draper House/ Sherston Court Improvements	29	29	0	0	0	0	0	0	0	29	29	0
Construction Skills Centre for South London(NHB)	52	52	0	773	773	0	176	176	0	1,002	1,002	0

GENERAL FUND CAPITAL PROGRAMME- 2015/16 QUARTER 3- REPORT

APPENDIX D

Capital Programme 2015/16 - 2024/25	2015/16			2016/17			2017/18+			Total Programme 2015/16-24/25		
Description of Programme / Project	Revised Budget	Forecast	Variance	Revised Budget	Forecast	Variance	Revised Budget	Forecast	Variance	Revised Budget	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
St Olav's Square Redevelopment	85	85	0	498	498	0	0	0	0	583	583	0
Camberwell Green and Gateway to Peckham	2,611	2,611	0	14,225	14,225	0	8,362	8,362	0	25,198	25,198	0
Revitalise5 Camberwell	0	0	0	1,690	1,690	0	1,436	1,436	0	3,126	3,126	0
Camberwell Library	1,163	1,163	0	83	83	0	0	0	0	1,246	1,246	0
Eagle Wharf Development	311	311	0	4,751	4,751	0	12,938	12,938	0	18,000	18,000	0
Canada Water Library	18	18	0	91	91	0	0	0	0	109	109	0
Construction of Community Centre	677	677	0	63	63	0	0	0	0	741	741	0
Revitalise Peckham Rye	50	50	0	2,313	2,313	0	771	771	0	3,134	3,134	0
Mint Street Adventure	0	0	0	1,100	1,100	0	900	900	0	2,000	2,000	0
Construction of Elephant & Castle Leisure Centre	4,975	4,975	0	421	421	0	692	692	0	6,088	6,088	0
Voluntary Sector Strategy	0	0	0	1,031	1,031	0	0	0	0	1,031	1,031	0
Property Acquisition	2,000	2,000	0	2,915	2,915	0	14,000	14,000	0	18,915	18,915	0
Pullens Yard Improvements	0	0	0	210	210	0	242	242	0	452	452	0
Void Shops & Council Owned Parade	0	0	0	725	725	0	1,275	1,275	0	2,000	2,000	0
Lease of New Office Accomodation	54	54	0	116	116	0	0	0	0	169	169	0
Assets	0	0	0	1,615	1,615	0	0	0	0	1,615	1,615	0
Acquisition of New Office Accomodation	14	14	0	211	211	0	0	0	0	225	225	0
Elephant & Castle Regeneration	4,676	4,676	0	5,465	5,465	0	48,419	48,419	0	58,560	58,560	0
Blackfriards Road Boulevard	0	0	0	100	100	0	0	0	0	100	100	0
Tate Modern Extension Project	0	0	0	1,000	1,000	0	0	0	0	1,000	1,000	0
Chief Executive Total	28,368	28,368	0	50,064	50,064	0	116,835	116,835	0	195,267	195,267	0
Children and Adult Services												
Other Grant Allocations	491	491	0	100	100	0	0	0	0	591	591	0
3 Primaries	248	248	0	476	476	0	0	0	0	724	724	0
Carbon Reduction in Schools	0	0	0	245	245	0	0	0	0	245	245	0
Other Primary Projects	5	5	0	0	0	0	0	0	0	5	5	0
Free School Meals	3	3	0	364	364	0	0	0	0	367	367	0
Bessemer	600	600	0	77	77	0	0	0	0	677	677	0
Dulwich Wood (Langbourne)	1,500	1,500	0	248	248	0	0	0	0	1,748	1,748	0
Lyndhurst major expansion & refurb 1.5 to 2 fe	900	900	0	198	198	0	0	0	0	1,098	1,098	0
Youth Services projects	7	7	0	0	0	0	0	0	0	7	7	0
Troubled Families	0	0	0	133	133	0	0	0	0	133	133	0
SILS Porlock Hall	293	293	0	0	0	0	0	0	0	293	293	0
Essential Upgrade of Carefirst System	884	884	0	843	843	0	0	0	0	1,727	1,727	0
Thomas Carlton fabric	315	315	0	0	0	0	0	0	0	315	315	0
Thomas Carlton ICT	71	71	0	0	0	0	0	0	0	71	71	0

GENERAL FUND CAPITAL PROGRAMME- 2015/16 QUARTER 3- REPORT

APPENDIX D

Capital Programme 2015/16 - 2024/25	2015/16			2016/17			2017/18+			Total Programme 2015/16-24/25		
Description of Programme / Project	Revised Budget	Forecast	Variance	Revised Budget	Forecast	Variance	Revised Budget	Forecast	Variance	Revised Budget	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Maintenance programme for Schools	3,667	3,667	0	4,297	4,297	0	0	0	0	7,963	7,963	0
Permanent Expansions	12,319	12,319	0	84,004	84,004	0	78,702	78,702	0	175,025	175,025	0
Southwark Resource Centre	0	0	0	259	259	0	0	0	0	259	259	0
Adult PSS Capital Allocations	0	0	0	181	181	0	0	0	0	181	181	0
Half Moon Lane	100	100	0	1,700	1,700	0	0	0	0	1,800	1,800	0
Adult PSS Orient Street	85	85	0	1,040	1,040	0	0	0	0	1,125	1,125	0
Kimmins Court	186	186	0	0	0	0	0	0	0	186	186	0
Adult PSS Fred Francis	34	34	0	26	26	0	0	0	0	60	60	0
Adult PSS Southwark Park Road	33	33	0	2	2	0	0	0	0	35	35	0
Transformation of LD care - Brandon Trust	0	0	0	727	727	0	0	0	0	727	727	0
Crebor Street	316	316	0	0	0	0	0	0	0	316	316	0
Mount Adon Park	6	6	0	0	0	0	0	0	0	6	6	0
Therapia road	3	3	0	0	0	0	0	0	0	3	3	0
Dover Lodge	8	8	0	0	0	0	0	0	0	8	8	0
Telecare expansion	150	150	0	75	75	0	0	0	0	225	225	0
Centre of Excellence	0	0	0	1,000	1,000	0	1,500	1,500	0	2,500	2,500	0
Autism learning provision	0	0	0	0	0	0	7,000	7,000	0	7,000	7,000	0
Anchor Rose court	223	223	0	200	200	0	0	0	0	423	423	0
Anchor Greenhive	0	0	0	599	599	0	0	0	0	599	599	0
Anchor Waterside	42	42	0	0	0	0	0	0	0	42	42	0
Anchor Blue Grove	66	66	0	0	0	0	0	0	0	66	66	0
Children and Adult Services Total	22,555	22,555	0	96,792	96,792	0	87,202	87,202	0	206,549	206,549	0
Southwark Schools for the Future												
St Michael's PFI	100	100	0	0	0	0	0	0	0	100	100	0
SMAA	1,200	1,200	0	357	357	0	0	0	0	1,557	1,557	0
New School Aylesbury	147	147	0	0	0	0	0	0	0	147	147	0
Bredinghurst Secondary School	2	2	0	0	0	0	0	0	0	2	2	0
SSSO (VA) St Saviours and St Olaves	5	5	0	0	0	0	0	0	0	5	5	0
KS3/ KS4 SILS	50	50	0	5,000	5,000	0	2,950	2,950	0	8,000	8,000	0
ICT	620	620	0	70	70	0	396	396	0	1,086	1,086	0
Rotherhithe deferred	0	0	0	0	0	0	19,622	19,622	0	19,622	19,622	0
Phase 3 rescope	0	0	0	0	0	0	6,485	6,485	0	6,485	6,485	0
Contingency & retension payments	0	0	0	43	43	0	1,307	1,307	0	1,350	1,350	0
Southwark Schools for the Future Total	2,124	2,124	0	5,469	5,469	0	30,760	30,760	0	38,353	38,353	0

GENERAL FUND CAPITAL PROGRAMME- 2015/16 QUARTER 3- REPORT

APPENDIX D

Capital Programme 2015/16 - 2024/25	2015/16			2016/17			2017/18+			Total Programme 2015/16-24/25		
Description of Programme / Project	Revised Budget	Forecast	Variance	Revised Budget	Forecast	Variance	Revised Budget	Forecast	Variance	Revised Budget	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Housing General Fund												
Springtide Close travellers site	32	32	0	80	80	0	0	0	0	112	112	0
Ilderton travellers site wall	0	0	0	300	300	0	0	0	0	300	300	0
Wadding Street and Stead Street	1,040	1,040	0	0	0	0	0	0	0	1,040	1,040	0
Information Service	654	654	0	47	47	0	795	795	0	1,496	1,496	0
IT Investment Schemes	2,978	2,978	0	1,600	1,600	0	6,453	6,453	0	11,030	11,030	0
Property Works Programme	0	0	0	715	715	0	1,200	1,200	0	1,915	1,915	0
Work to Council Buildings DDA	47	47	0	0	0	0	0	0	0	47	47	0
Planned Preventative Maintenance (PPM) & Compliance	906	906	0	4,303	4,303	0	32,376	32,376	0	37,585	37,585	0
Walworth Road Fire	1,459	1,459	0	0	0	0	0	0	0	1,459	1,459	0
Housing Renewal	2,603	2,603	0	2,567	2,567	0	11,964	11,964	0	17,134	17,134	0
Brayards Improvement Zone	797	797	0	810	810	0	0	0	0	1,606	1,606	0
			0			0			0			0
Housing General Fund Total	10,515	10,515	0	10,421	10,421	0	52,788	52,788	0	73,724	73,724	0
Capital Programme 2015/16 - 2024/25	Total General Fund Programme											
	2015/16			2016/17			2017/18+			Total Programme '2015/16-		
	Revised Budget	Forecast	Variance	Revised Budget	Forecast	Variance	Revised Budget	Forecast	Variance	Revised Budget	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Total Expenditure	80,376	80,376	0	194,040	194,040	0	350,633	350,633	0	625,049	625,049	0
Total Resources	80,376	77,452	(2,924)	194,040	80,149	(113,891)	350,633	385,504	34,871	625,049	543,105	(81,944)
Forecast variation (under)/over	(0)	2,924	2,924	(0)	113,891	113,891	0	(34,871)	(34,871)	(0)	81,944	81,944
Cumulative position				0	116,814	116,815	0	81,944	81,944	0	81,944	81,944

Item No. 11.	Classification: Open	Date: 9 February 2016	Meeting Name: Cabinet
Report title:		Creation Trust Funding Agreement 2016/17 – 2020/21	
Ward(s) or groups affected:		Faraday	
Cabinet Member:		Councillor Fiona Colley, Finance, Modernisation and Performance	

FOREWORD – COUNCILLOR FIONA COLLEY, FINANCE, MODERNISATION AND PERFORMANCE

The Creation Trust was established in 2009 to lead on the social regeneration on the Aylesbury Estate. Since then the physical regeneration of the estate has commenced with the completion of over 250 new homes, and a long-term partnership now in place with Notting Hill Housing Trust to drive forward the future plans for the regeneration of the area.

Creation Trust has been a key local partner in supporting and challenging the council and its partners in delivering on the programme of physical regeneration, whilst delivering services that provide information, support and guidance for local residents through all the changes that are taking place.

This report therefore asks cabinet to agree to grant fund Creation Trust for the next five years subject to the council's standard terms and conditions, in order to enable the Trust to continue their work in and on behalf of the local community.

RECOMMENDATION

That the Cabinet:

1. Approves a total of £1,000,000 of grant funding to be distributed to Creation Trust over the period 2016/17 to 2020/21 for the objectives set out within the Creation Trust business plan that is outlined in this report.

BACKGROUND INFORMATION

2. Creation Trust (a company limited by guarantee and whose formal name is New Aylesbury Trust Ltd.) is the successor body to the Aylesbury New Deal for Communities (NDC). The Trust is led by a board of trustees that includes nominated resident representatives, including leaseholders of the estate and local ward councillors. As a result of this democratic accountability, Creation Trust is a representative body which provides a key mechanism for consultation and communications with the community as part of the regeneration of the Aylesbury estate, as well as helping to bring the wider social and economic benefits of the regeneration to local residents.
3. In June 2015 the cabinet member for finance, modernisation and performance agreed a

one year funding agreement of £250,000 to enable Creation Trust to fund a range of activities, including resident engagement and supporting residents into employment to support the regeneration of the Aylesbury estate. This was a continuation of the council funding the Trust which began in 2010, following the end of the NDC programme.

4. As part of the 2015/16 funding decision the council committed to continue to work with Creation Trust during 2015/16 to develop a longer term funding solution for the Trust which has regard for the future regeneration plans. This would include consideration of council funding beyond 2015/16 and working with the Trust to develop options for longer term sustainability. This report is the culmination of those discussions and proposes the Council awarding grant funding to the Trust for the period 2016/17 – 2020/21.

KEY ISSUES FOR CONSIDERATION

5. The June 2015 IDM report set out a range of projects and activities that Creation Trust has been delivering since the council began funding the Trust in 2010. These include projects to support residents in engaging with the regeneration programme, provision of services for young people, delivering worklessness programmes for local residents and ensuring that local people are able to access the employment and training opportunities that the early development of the site has brought forward. These projects have continued to deliver strong outcomes in 2014-2016, including:
 - 84 people were assisted into work in 2014/15 through the SE17 Working Programme. A further 88 confirmed job outcomes have been secured to date in 2015/16.
 - Working in partnership with Citizens Advice Bureau (CAB) which now delivers sessions especially dedicated to residents from the Creation offices.
 - Supporting residents to access SIA and CSCS badges which allow them to get jobs in security and construction, enabling residents to access the employment opportunities opened up by the regeneration.
 - Delivering IT classes for older people to support older people to engage in the bidding process for rehousing.
 - Community leadership amongst local community organisations.
 - 10 events under the “put it in the map” street naming project – the new names are being used in the next phase of the regeneration.
 - Established a new community space on Phase 4. The Missenden programme centre offers a space in the heart of the estate for small meetings and projects. It is also used as a job search space for SE17working.
 - A new website to improve access to the Trust and engagement with residents.
 - On-going support for residents as part of the regeneration, including support for older people and helping leaseholders through the process of selling their homes back to the council and supporting them into new homes.
6. In April 2014 the Council signed a Development Partnership Agreement (DPA) with Notting Hill Housing Trust for the redevelopment of the estate. More recently in April 2015, planning permission was granted for a detailed application for the first of the sites to come forward under the agreement with Notting Hill and an outline masterplan for the rest of the site. In early 2016 a reserved matters application is expected to come forward for the site of the former Amersham centre, which will include a range of community facilities, including a new library, a health centre and pharmacy, early years facility, community space plus public open space and approximately 120 residential units.

7. Within the DPA, one of the minimum requirements on Notting Hill, as the council's development partner, is the payment of £250,000 per annum to the council for five years from 1 April 2015 by way of a Community Contribution to deliver services and activities on the Aylesbury. These services are intended for the benefit of the residents of the estate and its immediate surrounds. The council is required to determine how that funding is best distributed and how the funding of services and activities is managed. In 2015/16 the council determined that the most appropriate use of these funds to support the regeneration of the Aylesbury was for the continued funding of Creation Trust to deliver their core activities in line with the Trust's business plan.
8. During 2015/16 council officers have been progressing discussions with Creation Trust over the future of the organisation in the light of the plans for the regeneration of the estate over the coming years. The next five years of the regeneration will see significant changes to the community; the funding of a single, stable community organisation will enable continuity of support and advice to be provided to the existing community, whilst also supporting and integrating new residents into the area. During this period there will be the commencement of significant development activity on the first development site and the former Amersham site which will see the first new homes for Aylesbury residents to move into becoming available. Within five years it is also anticipated that development will have commenced on Phase 2 (the blocks to the East of Thurlow Street including Wendover, Wolverton, Foxcote, Padbury, Ravenstone, Winslow and Brockley House) of the regeneration. Detailed consultation and engagement on plans for Phase 2 will therefore be taking place and reserved matters planning applications will be coming forward. More immediately, rehousing of residents on Phase 2 will continue before the rehousing of residents in Phase 3 commences in the next couple of years.
9. As set out in paragraph 8 of this report the council has £1m of community funding to distribute locally on the Aylesbury funded from receipts from Notting Hill Housing under the DPA. Therefore within the context of the planned activity over the next few years the council has been progressing work on a five year funding agreement for Creation Trust for a total of £1m to fund the core activities the Trust to support the development and to enhance community engagement on the Aylesbury estate over the period 2016/17 to 2020/21.
10. The original intention as set out in June 2015 IDM report was that this funding would be phased over four years, but following discussions on the plan of regeneration activity and the anticipated scope and work of the Trust and other partners over the next few years, a distribution of the available funding over five years has now been proposed by Creation Trust in line with their latest approved business plan.

Creation Trust business plan

11. The Creation Trust board approved the Trust's business plan for 2016/17 (which included consideration of longer term objectives and activities) at its November board meeting. This business plan identified the Trust's vision as:
 - "Creation is helping transform the Aylesbury Estate into a thriving neighbourhood through delivering social and economic change"
12. To achieve this vision Creation identified six objectives which focus on the twin themes of

People and Place in relation to the Aylesbury and which is where the Trust will focus their activity during 2016/17 and beyond. Outcomes delivery, funding, organisation and performance assessment will therefore be structured against these six areas. These objectives are:

- Delivering youth programmes to increase educational attainment, improve well-being and reduce anti-social behaviour
 - Supporting vulnerable residents who are isolated and at risk with a focus on supporting those in active phase delivering services for adults to improve their skills, economic opportunities and well-being
 - Providing residents with opportunities and information to encourage them to participate in their local community
 - Representing residents on relevant decision-making forums in order that their voice is heard especially in relation to housing and regeneration issues
 - Campaigning to improve the local community through supporting effective regeneration, working to reduce crime, lobbying for community facilities/services and housing standards.
13. This work programme aligns closely to those of local partners including the council and local community groups in the area. Creation will continue to discuss the services it delivers with the council and with Notting Hill Housing to ensure that there is a joined up and holistic offer of services to local residents.

Funding proposal

14. Following approval of the Trust's business plan for 2016/17, the council now puts forward the five year funding proposal for agreement. Paragraph 24 of this report sets out the schedule of how this funding is proposed to be distributed.
15. Creation Trust is currently delivering a huge number and range of quality activities and services already on the Aylesbury and so the council considers it prudent to not commission other providers to deliver similar activities and services when an established community trust is already delivering for the benefit of local residents. The funding of other providers to deliver similar activities locally could have the potential to create greater uncertainty at a time of huge change for local residents.
16. Within the context of the need for continued and enhanced resident engagement over the next few years, to support local residents to be able to take the employment and training opportunities that a long term regeneration project can offer, and to create a sustainable community on the Aylesbury in the future, the council considers it important that Creation Trust's core activity continues to be funded as the regeneration progresses. Creation Trust has a history of delivering these outcomes and is committed to working with the council to ensure that any future Aylesbury residents will be moving into a sustainable community.
17. Alongside council funding, Creation Trust also currently receives funding from other organisations to deliver specific projects and outcomes that complement their core funded activities. Based on 2016/17 funding this currently gives the Trust approximately £290,000 per annum to spend on restricted project outcomes and a further £65,000 of unrestricted spend, giving a total income of just under £600,000 per annum. The Trust currently also

has a number of further applications for funding pending and will continue to seek funding for projects over the period 2016/17 to 2020/21 to benefit residents and the wider community. Over the next five years of this agreement the council will continue discussions with Creation Trust over the future of the Trust beyond 2021.

18. The funding will be provided to Creation Trust on the basis that it will be used to deliver the core functions and activities of Creation Trust in line with the Trust's business plan objectives as set out above for 2016/17 and beyond. Following scrutiny of the Trust's accounts and financial statements the council considers this amount to be appropriate for the delivery of the Trust's core business and appropriate to the scale of both the estate and the regeneration plans that are in place.
19. In funding Creation Trust, the council believes that the Trust is in a unique position locally to be able to deliver some of the socio-economic outcomes associated with the regeneration of the Aylesbury. It is a strong local voice, representative of the local community and has good links to residents and local voluntary, community and commercial organisations.
20. As a condition of the grant funding agreement to Creation Trust, the council will require the Trust to adhere to the reporting and monitoring arrangements as set in the conditions of grant funding. This will include mid-year and annual reporting at the end of quarter 2 and quarter 4 respectively in each year of the agreement.
21. As the area is regenerated over the next few years the area will change considerably. The council is therefore committed to supporting the community through that period by the funding of the Trust over the next five years. Beyond this horizon it is difficult to determine what type of community organisation is most appropriate for the area over the long term. The council and Creation Trust have therefore agreed that the 2020/21 will mark the end of council funding to Creation. Creation Trust has however identified reserves which will enable it to continue delivery for a further year beyond the end of council funding in 2020/21. Notwithstanding this the council is committed to continuing to support the Walworth community locally and will work with Creation Trust, Notting Hill Housing Trust and the wider community to determine a sustainable long term proposal for community engagement in the area as it changes over time.

Community impact statement

22. The Aylesbury estate has a wide range of cultures, languages spoken and individual personal circumstances of residents that need to be considered when delivering services on the estate. The Creation Trust board includes local Ward Councillors and local residents, and its existing work in the community means that it is uniquely placed with its in-depth knowledge of individuals and groups on the estate to understand the diverse needs of the community and how services should be tailored and made accessible for specific groups.
23. The approval of the funding to Creation Trust will have a significant and positive impact on local people. The availability of core funding support to Creation Trust during 2016/17 to 2020/21 will assist the Trust in its delivery of key programmes providing important services to the community. These will be developed in consultation with the council and Notting Hill to complement those services currently provided in the local area but will also facilitate access to a wider and far reaching range of stakeholders.

24. By focusing the outcomes it delivers on residents, Creation Trust aims to meet the needs of all protected characteristics groups. In making the proposal to fund Creation Trust the council has considered the Public Sector Equality Duty (PSED) in section 149 of the Equality Act 2010, specifically; to have due regard to the need to eliminate discrimination, harassment, victimisation or other prohibited conduct and advance equality of opportunity. Creation Trust will deliver this through its projects providing the means for local people to engage in the labour market, improve socio-economic outcomes and individuals' wellbeing, and through their community engagement programmes foster good relations between people with protected characteristics and those without.

Resource implications

25. In April 2014 the council signed a Development Partnership Agreement (DPA) with Notting Hill Housing Trust for the development of the Aylesbury development area. Within the DPA there is a commitment, expressed in the form of a minimum requirement in the contract, for Notting Hill to provide grant funding to the Council of £250,000 per annum for five years from 1 April 2015 in the form of a Community Contribution.
26. It is the council's responsibility to administer this Community Contribution to the local area as it sees fit.
27. The council has received and utilised the first annual payment of the Community Contribution to fund Creation Trust during 2015/16 through the council's standard grant funding agreement.
28. This leaves £1m to be paid to the council from Notting Hill over four years from April 2016. In agreement with Creation Trust, rather than distributing this funding to Creation at £250,000 per annum over four years this has been re-profiled and will be released to the Trust over five years in the schedule of annual payments set out in the table below.
29. The council is now proposing that further funding of £1m is awarded to Creation Trust over five years for the delivery of activities as set out in this report, and within the schedule of annual payments proposed in the table below.

Year	2016/17	2017/18	2018/19	2019/20	2020/21	Total
Funding	£220,000	£220,000	£220,000	£220,000	£120,000	£1,000,000

30. The total funding to be received from Notting Hill remains the same and Notting Hill's payment profile remains unaffected.
31. The mechanism for the release of revenue support, time frames and payments will be captured in the grant funding agreement, with payments to the Trust made quarterly in arrears. Furthermore, the agreement will set out the areas where such payments can be reduced, delayed, stopped or clawed back.

Consultation

32. Consultation with both the Chief Executive of the Creation Trust and its board members has been undertaken regarding the details of the funding agreement and they are happy with the proposals. In developing these proposals the Council has also had regard to the

positive feedback that it receives from local residents at consultation events concerning the regeneration of the estate on the positive role that Creation Trust play in the local area.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy

33. This report seeks the cabinet's approval to grant funding for the period 2016/17-2020/21 to Creation Trust. Previously grant funding has been agreed on a one year funding basis, but for the reasons noted in this report, it is now intended to develop a longer term funding arrangement which has regard for the future regeneration plans of the area. Paragraph 13 details the objectives which are intended to be met by this arrangement, and whilst this is a longer term agreement, it will retain the usual grant funding requirements allowing reduction, ceasing or claw back of payments in certain circumstances.
34. The cabinet's attention is drawn to the public sector Equality duty (PSED) under the Equality Act 2010, and when making decisions to have regard to the need to eliminate discrimination, harassment, victimisation or other prohibited conduct, and to advance equality of opportunity and foster good relations between persons who share a relevant protected characteristic and those who do not share it. The relevant characteristics are age, disability, gender reassignment, pregnancy and maternity, race, relation, religion or belief, sex and sexual orientation. The duty also applies to marriage and civil partnership but only in relation to the elimination of discrimination. The cabinet is specifically referred to the community impact statement at paragraphs 23-25 setting out the consideration that has been given to equalities issues which should be considered when agreeing these awards.
35. The cabinet is also referred to paragraph 33 of this report which set out the consultation that has taken place. The cabinet should take into account the outcome of consultation when taking a decision on the recommendation in this report.

Strategic Director of Finance and Governance (FC15/050)

36. The resource implications in paragraphs 26 to 32 are noted. It is observed that funding of £1m will be received from the Notting Hill Housing Trust in four equal annual contributions beginning on 1 April 2016. This is in addition to the £250,000 already received on 1 April 2015. This will be used to provide funding for the Creation Trust of £220,000 in each of the financial years from 2016/17 to 2019/20 and £120,000 in 2020/21, a total of £1,000,000. There will therefore be a net zero effect on council finances over this period.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Creation Trust Funding Agreement 2015/16		Simon Chambers 020 7525 7495
Link: http://moderngov.southwark.gov.uk/documents/s54743/Report.pdf		
Creation Trust Funding Agreement – 2011-15		Simon Chambers 020 7525 7495
Link: http://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?ID=2345		
Gateway 2: Contract award approval - development partner for the regeneration of the Aylesbury Estate		Simon Chambers 020 7525 7495
Link: http://moderngov.southwark.gov.uk/documents/s44910/Report.pdf		
Conditions of Grant Funding		
Link: http://www.southwark.gov.uk/downloads/download/3348/conditions_of_grant_funding		

APPENDICES

No.	Title
None	

AUDIT TRAIL

Cabinet Member	Councillor Fiona Colley, Finance, Modernisation and Performance		
Lead Officer	Neil Kirby, Head of Regeneration South		
Report Author	Simon Chambers, Programme Officer, Regeneration South		
Version	Final		
Dated	28 January 2016		
Key Decision?	Yes		
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES /CABINET MEMBER			
Officer Title		Comments Sought	Comments included
Director of Law and Democracy		Yes	Yes
Strategic Director of Finance and Governance		Yes	Yes
Cabinet Member		Yes	Yes
Date final report sent to Constitutional Team			28 January 2016

Item No. 12.	Classification: Open	Date: 9 February 2016	Meeting Name: Cabinet
Report title:		Response to Healthy Communities Committee Personalisation and Personal Budget Report	
Group affected:		All Southwark adults eligible to receive Personal Budget	
Cabinet Member:		Councillor Stephanie Cryan, Adult Care and Financial Inclusion	

FOREWORD - COUNCILLOR STEPHANIE CRYAN, CABINET MEMBER FOR ADULT CARE AND FINANCIAL INCLUSION

It is really important that the choice and control of services should be placed with the people who use the service. Personalisation puts people at the heart of making their own care decisions and I welcome this report into personalisation and personal budgets from the healthy communities scrutiny sub committee.

The progress on the development of personalisation and personal budgets is essential to the council and we are fully committed to meeting our duties under the Care Act 2014. The report has given us the opportunity to review these commitments and to assess both the progress made the continual work required to ensure we fully address and respond to our commitments under the Act.

This report responds to each of the fourteen recommendations from the sub committee and allows us to review the council's approach from a wider stakeholder perspective.

I am therefore asking cabinet to consider the response set out below and to approve the following recommendations.

RECOMMENDATIONS

1. That cabinet note the current actions that are being taken to address the key recommendations made by the healthy communities scrutiny sub-committee on personalisation and personal budgets.
2. Note additional actions to be taken to address a number of the key recommendations.

BACKGROUND INFORMATION

3. Southwark Council's healthy communities scrutiny sub-committee presented its findings and key recommendations in relation to personalisation and personal budgets to December 2015 cabinet.
 - The committee looked closely at the delivery of personalisation and personal budgets by Southwark Council, including taking written and oral evidence, and considering approaches taken by other Councils;

- The sub committee summarised its findings into 14 key recommendations;
- Each recommendation is considered below in relation to work being currently undertaken by the council that respond to these recommendations. Where further action is needed this is also set out.

KEY ISSUES FOR CONSIDERATION

4. Each of the healthy communities scrutiny sub-committee key recommendations is set out below (in italics), followed by a response:

4.1. Service standards and timescales should be adopted in regards to carrying out an eligibility assessment, completing a support plan and the provision of services. This should be monitored and information made available on an annual basis.

Southwark carefully follow the process of assessing and reviewing eligibility for social care and prioritize urgent needs and delivery of urgent support, with proportionate assessment starting at the first point of contact with social care. This is set out in more detail in Southwark Council's Adult Assessment and Eligibility Policy.

Adult Social Care is currently carrying out a review of the Care Pathway with the assistance of Institute of Public Care (IPC), Oxford Brooks University. This review will recommend standards to be applied within indicative time-scales for completions of assessment and support plans and how progress and performance will be reviewed.

4.2. Residents should be given a named case officer, who will work with them throughout the process, except in exceptional circumstances, and where an officer has to change, residents are kept informed.

Residents are provided with a named council officer to carry out an assessment and to develop a personalised Support Plan. However, this is not always the same case worker, because the care pathway process has a number of distinct stages, starting with reablement. Reablement is the first part of the care pathway and this is arranged through a different team from subsequent support for those who are eligible for a personal budget.

4.3. Named council officers should be trained to provide support services to those accessing personal budgets. This should include training around support planning, brokerage, direct payment management support, managed account service, payroll service, personal assistant and employment support services.

Council officers are trained in support planning, brokerage and general information about the responsibilities around employing a personal assistant (PA) directly. However, specialist support and information about payroll, employer responsibilities, direct payment management and other specialist matters is currently outsourced by the Council to various Direct Payment Support services. While the Council has a duty under the regulations to ensure these specialist areas are provided for, and that this is reflected in the Direct Payment, it is not cost-effective to train all case officers in these specialist areas.

4.4. Assessments should be carried out in individual's home, and carers should be identified and offered their own assessment to be carried out at the same

time, where appropriate.

Assessments are carried out in the person's home already in many instances. Occasionally the assessment may be carried out in another place by agreement. The Carers Assessment Team is now established in Southwark, and offer carers assessments.

4.5. The Council should look to develop a preventative strategy that includes financial support for the maintenance of open door services for vulnerable and elderly residents, to help them remain healthy and active, and ensure they are not isolated.

Key elements of a preventative strategy are being put in place as part of the Council's response to the duties set out in the Care Act 2014. A Care Act Implementation Board has been established, chaired by the Assistant Director for Adults Services, to develop the Council's approach further. There is already in place the Adult Social Care Vision of Social Care. The development of a Voluntary sector strategy, to be recommended to February Cabinet, will also address personalisation. Work is underway to develop Community Hubs with a focus on prevention and resilience, following earlier work and implementation of the Southwark Mental Health Hub.

My Support Choices on Southwark Council's website provides information on local community services:

http://www.southwark.gov.uk/info/200407/my_support_choices.

Reablement is an important element of Southwark's local preventative strategy.

4.6. The Council should create a suite of materials with accessible information for carers, as well as providing this clearly on the Council website.

Information on social care assessments, benefits and advice is already provided on the Council website:

http://www.southwark.gov.uk/info/200387/assessments_benefits_and_advice

As with My Support Choices, much of this information is very relevant to Carers.

4.7. There should be a commitment for carers to have the same case workers throughout the process, except in exceptional circumstances.

The Carers Assessment Team are the team dedicated to working with Carers. Wherever possible it is the intention to provide continuity through this process.

4.8. The Clinical Commissioning Group should be encouraged to ensure that GPs are promoting carer assessments.

The Carers Assessment Team have worked with colleagues at NHS Southwark CCG to ensure that GPs are aware of the service and a booklet is in development to be distributed to GPs surgeries.

4.9. The Council should work in conjunction with Healthwatch to provide regular monitoring and feedback on the process for carers in receiving an assessment through to plan delivery.

The Care Act Implementation Board will be asked to consider the role Southwark

Healthwatch might undertake in monitoring the process.

A Carers Survey is undertaken in Southwark every two years, which asks questions about Carers about their experiences of processes. The last Carers Survey was published in May 2015.

4.10. All VCS organisations should be kept fully aware of where they stand with regards to contracts and transitions to personal budgets

Where the council had moved away from the use of contracts to provide services, it has involved the Adult Social Care team and has signposted service users, who may be eligible for a personal budget, to the relevant team as well as sources of information about direct payments.

4.11. The Council should provide specific information about personal budgets, particularly focused on eligibility criteria to help understand what services they can access.

The My Support Choices pages on the Southwark Council website provides specific information about personal budgets and direct payments under the assessment, benefit and advice section. This information is regularly reviewed to ensure that it is up to date.

4.12. The Council should work with CAS on the creation of an e-marketplace which will collate all available services for personal budget holders.

We will consider and discuss this recommendation with Community Action Southwark.

4.13. The Council should look to support providers on how best to market themselves - potentially linked to the creation of the e-marketplace.

This is difficult to achieve in practical terms, as the marketing of a service is the responsibility of the Voluntary sector organization itself. In relation to marketing, it is important for the Voluntary sector to increasingly focus their attention on marketing directly to their customers - the potential users and carers of their services using personal budgets and direct payments.

4.14. The Council should consider maintaining reduced grant for service providers, particularly building based services, to support moves from block grants to personal budgets.

The Council has used this approach previously, but it can be challenging as responsibilities can become confused, for example over responsibilities for building and equipment. It may also provide an advantage that is open to challenge, unless the scope of such support is transparent and time-limited.

Policy implications

5. In making this response, the following policies have been taken into account:

- Southwark Council's Fairer Future Vision - specifically "*Working with everyone to realise their potential*"

- Together we can deliver a better quality of life in Southwark: Our Vision for Adult Social Care (see Background Information for link).
- Recent local strategies that take account of personalisation, including Southwark All Age Autism Strategy; Co-Production report, Adult Social care; Transforming Care; and Safeguarding.
- The Care Act 2014.

Community impact statement

6. This report provides a response to the healthy communities scrutiny sub-committee report on personalisation and personal Budgets and has taken account on the community at large and people identified as possessing “protected characteristics” in our community, as outlined in the Equality Act 2010 and the Council’s approach, in formulating the recommendations of this report. No specific equality implications were identified that pertain to this report.

Resource implications

7. This response to the healthy communities scrutiny sub- committee is made within the council’s budgetary framework.

Legal/Financial implications

8. There are no identified legal implications in relation to this report.

Consultation

9. The healthy communities scrutiny sub-committee report sets out the consultation that was undertaken in regard to their investigation in relation to personalisation and personal budgets in Southwark.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Adult Social Care Vision	Southwark Council 160 Tooley Street London SE1 2QH	
Link: http://www.southwark.gov.uk/downloads/download/2638/vision_for_adult_social_care_services_paper		
Healthy Communities Scrutiny Sub-committee Personalisation and personal Budget Report to December 2015 Cabinet	Southwark Council 160 Tooley Street London SE1 2QH (Listed under item 8)	
Link: http://lbsth-dtr01/ieListDocuments.aspx?CId=302&MId=5142&Ver=4		
Southwark Council (2014) Co-production: nothing about you without you. Report and recommendations: embedding co-production in adults. A departmental-wide approach.	Southwark Council 160 Tooley Street London SE1 2QH	
Link: http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=5144&Ver=4		
Southwark Council Adult Assessment and Eligibility Policy	Southwark Council 160 Tooley Street London SE1 2QH	
Link: http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=5144&Ver=4		

APPENDICES

No.	Title
None	

AUDIT TRAIL

Cabinet Member	Councillor Stephanie Cryan, Adult Care and Financial Inclusion	
Lead Officer	David Quirke-Thornton, Strategic Director of Children and Adult Services	
Report Author	Dick Frak, Interim Director of Commissioning	
Version	Final	
Dated	27 January 2016	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Director of Law and Democracy	No	No
Strategic Director of Finance and Governance	No	No
Director of Adult Services	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team		27 January 2016

Item No. 13.	Classification: Open	Date: 9 February 2016	Meeting Name: Cabinet
Report title:		Southwark Children's and Adults' Services: Independent Local Test Of Assurance 2015	
Ward(s) or groups affected:		All Wards	
Cabinet member:		Councillor Peter John, Leader of the Council	

FOREWORD – COUNCILLOR PETER JOHN, LEADER OF THE COUNCIL

The Council's Children's and Adults' Services Directorate is right at the heart of our vision to provide a 'Fairer Future for All'. This independent 'test of assurance' provides clear confirmation to Cabinet, councillors, council staff, partner agencies and most importantly local residents that the statutory functions of the Director for Children's Services being combined with responsibility for Adults Services has not weakened our focus on securing the very best for all our children and young people. In fact, this report clearly lays out the benefits we gain; from joint working across Children's and Adults for our most vulnerable families; to the transition of young people to adult services; to the streamlining of needs assessments; to providing a single point of contact for other partner agencies.

RECOMMENDATION

1. That the Independent Local Test of Assurance (2015) as set out in Appendix 1 be noted.

BACKGROUND INFORMATION

2. The London Borough of Southwark established a directorate of Children's and Adults' Services in October 2012. The proposal was part of a council-wide programme of transformation that was designed to achieve '*cultural change both within the organisation and in the way we engage with our residents and stakeholders*'. As part of this change, there would be a need to '*work in a more cross cutting and collegiate way across portfolios and departments to be more than the sum of our parts and achieve more with less*'. It was expected that the new structure would place the council 'in the best position to deal with the diversity of emerging challenges whilst releasing savings already earmarked'. The particular benefits of combining Children's and Adults' Services were identified as: joint working and commissioning around vulnerable families; common interest areas such as personalisation and transition of young people to adult services; efficiencies of back office functions; streamlining of key enablers such as needs assessment; workforce planning, equalities and community engagement; and a single point of contact for health and other agencies.
3. The roles of Director of Children's Services (DCS) and Lead Member for Children's Services (LMCS) are covered by statutory guidance from the Department for Education (DfE). Local authorities must have regard to this guidance in relation to the appointment of the DCS and the designation of the LMCS. Consideration of this guidance is particularly important where a local authority is proposing to combine the DCS functions with other officer

responsibilities. The guidance states that in such circumstances *'local authorities should undertake a local test of assurance so that the focus on outcomes for children and young people will not be weakened or diluted as a result of adding other such responsibilities'*. The test of local assurance is intended to assess the extent to which the local authority's organisational structure fulfils the following criteria:

- a) Meeting statutory duties effectively (including that children, young people, and families receive effective help and benefit from high educational standards locally);
 - b) Transparency about accountabilities and responsibilities;
 - c) Support effective interagency and partnership working.
4. In accordance with statutory guidance the council undertook a local test of assurance in 2012 before establishing the role of Strategic Director of Children's and Adults' Services. It concluded that: *'sufficient safeguards are in place in order that outcomes for children and young people are not at risk of being weakened or diluted by the statutory Director of Children's Services acquiring additional responsibilities.'* A further conclusion was that the *'changes will enable statutory functions of Director of Adult Social Services (DASS) to be carried out effectively and the joining of departments has potential to add value to responsibilities of both roles.'*
 5. As part of the Directorate's self-assessment of its leadership and governance arrangements, the current Strategic Director (appointed in October 2014) commissioned an updated review of the council's local test of assurance. At the time of the fieldwork for this review, proposals for the realignment of functions between directorates and a senior management restructuring below chief officer level were under active consideration.

KEY ISSUES FOR CONSIDERATION

6. The 2015 senior management restructure intended to enable the council to deliver its 'fairer future' vision by building on the effective cross cutting and collegiate working that has been increasingly evident since 2012. At the same time, the rationalisation of functions across directorates and the reduction in senior management posts make a significant contribution to the council's overall savings requirement. The table below provides a summary of the rationalisation of directorate functions and changes to senior management posts as they relate to the Children's and Adults' Services Directorate.

SENIOR OFFICER RESTRUCTURE 2015
Directorate Functions
Transferred to Children's and Adults' Services:
☐ Safeguarding Partnerships
☐ Public Health
☐ Adult Learning
Senior Management Changes
☐ Deletion of post of Director, Strategy and Commissioning
Other Changes (relevant to Local Test of Assurance)
☐ Modernise (encompassing IT, HR, Corporate Facilities Management and Modernise) to Housing and Modernisation

7. The findings of the Independent Local Test of Assurance 2015 are set out in Appendix 1, from paragraph 8 to 33 of that document.
8. In summary, the Children's Improvement Adviser from the Local Government Association concluded that the requirements of the local test of assurance are met:

LOCAL TEST OF ASSURANCE - SUMMARY		
Statutory Duties	Met	Senior management and service structure ensures statutory duties met in respect of Children's Services, Education, Adult Social Services and Public Health
Accountabilities and Responsibilities	Met	This criterion is met. The Chief Executive has appropriate arrangements in place for directly holding to account officers in key statutory roles. There are robust governance and performance management arrangements in place.
Effective partnership and inter-agency working	Met	The respective Safeguarding Boards meet statutory requirements and operate within a partnership protocol with the Health and Well-Being Board. The senior management structure allows for distributed leadership such that the Strategic Director is visible and influential in supporting effective partnership and inter-agency working.

9. The Independent Local Test of Assurance (2015) was shared with the Leader of the Council and Lead Member for Children's Services at the time. Presenting it to Cabinet now ensures that the whole Cabinet are aware of the findings and places the document in the public domain so that local residents, councilors, partners and council staff can be assured that this important independent test of assurance has been met.

Community impact statement

10. Section 149 of the Equality Act, lays out the Public Sector Equality Duty (PSED) which 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 is committed to ensuring that equality is an integral part of our day to day business.
11. Children's Services support the most vulnerable children, young people and families in our community and it is due to the importance of this duty that the council is required to have independent assurance that arrangements locally are appropriate and effective. The children, young people and families supported by our Children's Services represent the full spectrum of our local community diversity and protected characteristics as set out in Equality legislation. There are no specific equality issues arising from the Independent Local Test of Assurance 2015.

Resource implications

12. None arising from this Independent Local Test of Assurance.

Consultation

13. None required.

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

14. Not required for this report.

Director of Law and Democracy

15. Not required for this report.

Strategic Director of Finance and Governance

16. Not required for this report.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

APPENDICES

No.	Title
Appendix 1	Southwark Children's And Adults Services: Independent Local Test Of Assurance 2015

AUDIT TRAIL

Lead Officer	Chief Executive		
Report Author	Strategic Director of Children’s and Adults’ Services		
Version	Final		
Dated	20 January 2016		
Key Decision?	No		
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER			
Officer Title		Comments Sought	Comments Included
Director of Law and Democracy		No	No
Strategic Director of Finance and Governance		No	No
Cabinet Member		No	No
Date final report sent to Constitutional Team			29 January 2016



John Harris - Children's Improvement Adviser

27th July 2015

Eleanor Kelly,
Chief Executive,
Southwark Council,
160, Tooley Street,
London SE1 2QH.
eleanor.kelly@southwark.gov.uk

Dear Eleanor,

SOUTHWARK CHILDREN'S AND ADULTS SERVICES: INDEPENDENT LOCAL TEST OF ASSURANCE 2015

1. On behalf of the Local Government Association (LGA) I am writing with the findings from the recent independent 'local test of assurance' that was completed in respect of the London Borough of Southwark's Children's and Adults' Services Directorate. I received a positive welcome and good engagement and support throughout the process. I was impressed by people's transparency and commitment to improving the quality of life and life chances of residents in Southwark.

Background

2. The London Borough of Southwark established a directorate of Children's and Adults' Services in October 2012. The proposal was part of a council-wide programme of transformation that was designed to achieve '**cultural change both within the organisation and in the way we engage with our residents and stakeholders**'. As part of this change, there would be a need to '**work in a more cross cutting and collegiate way across portfolios and departments to be more than the sum of our parts and achieve more with less**'. It was expected that the new structure would place the council '**in the best position to deal with the diversity of emerging challenges whilst releasing savings already earmarked**'.¹ The particular benefits of combining Children's and Adults' Services were identified as: joint working and commissioning around vulnerable families; common interest areas such as personalisation and transition of young people to adult services; efficiencies of back office functions; streamlining of key enablers such as needs assessment; workforce planning, equalities and community engagement; and a single point of contact for health and other agencies.

¹ 'Amendment to Strategic Management Arrangements' – Report to Cabinet 15th May 2012

3. The roles of Director of Children's Services (DCS) and Lead Member for Children's Services (LMCS) are covered by statutory guidance from the Department for Education (DfE).² Local authorities must have regard to this guidance in relation to the appointment of the DCS and the designation of the LMCS. Consideration of this guidance is particularly important where a local authority is proposing to combine the DCS functions with other officer responsibilities. The guidance states that in such circumstances **'local authorities should undertake a local test of assurance so that the focus on outcomes for children and young people will not be weakened or diluted as a result of adding other such responsibilities'**. The test of local assurance is intended to assess the extent to which the local authority's organisational structure fulfils the following criteria:
 - a. Meeting statutory duties effectively (including that children, young people, and families receive effective help and benefit from high educational standards locally);
 - b. Transparency about accountabilities and responsibilities;
 - c. Support effective interagency and partnership working.
4. In accordance with statutory guidance the council undertook a local test of assurance in 2012 before establishing the role of Strategic Director of Children's and Adults' Services. It concluded that: **'sufficient safeguards are in place in order that outcomes for children and young people are not at risk of being weakened or diluted by the statutory Director of Children's Services acquiring additional responsibilities.'** A further conclusion was that the **'changes will enable statutory functions of Director of Adult Social Services (DASS) to be carried out effectively and the joining of departments has potential to add value to responsibilities of both roles.'**
5. As part of the Directorate's self-assessment of its leadership and governance arrangements, the current Strategic Director (appointed in October 2014) has commissioned an updated review of the council's local test of assurance. At the time of the fieldwork for this review, proposals for the realignment of functions between directorates and a senior management restructuring below chief officer level were under active consideration, with approval by Cabinet expected before the end of July.
6. The 2015 senior management restructure is intended to enable the council to deliver its 'fairer future' vision by building on the effective cross cutting and collegiate working that has been increasingly evident since 2012. At the same time, the rationalisation of functions across directorates and the reduction in senior management posts will make a significant contribution to the council's overall savings requirement. The table below provides a summary of the rationalisation of directorate functions and changes to senior management posts as they relate to the Children's and Adults' Services Directorate.

² Statutory guidance on the roles and responsibilities of the Director of Children's Services and the Lead Member for Children's Services, DfE April 2013

SENIOR OFFICER RESTRUCTURE 2015
Directorate Functions
Transferred to Children's and Adults' Services: • Safeguarding Partnerships • Public Health • Adult Learning
Senior Management Changes
• Deletion of post of Director, Strategy and Commissioning
Other Changes (relevant to Local Test of Assurance)
• Modernise (encompassing IT, HR, Corporate Facilities Management and Modernise) to Housing and Modernisation

7. The findings in this review take account of these proposals.

Independent Review Process

8. The process has included consideration of key background documents and performance information, along with interviews on site. The review also draws on learning nationally from other local authorities that have established combined Children's and Adults' Services Directorates. The following themes were used as an evaluation framework for the local test of assurance:
- Governance and Accountability
 - Leadership and Management
 - Capacity
 - Performance Management and Quality Assurance
 - Workforce Development
 - Partnerships and Multi-Agency Working
 - Service User Engagement

These themes feature in the directorate's comprehensive self-assessment documentation, with clear identification of strengths and areas for development supported by a robust action plan. The detail of the work being undertaken in support of that action plan is not repeated in this letter, except where it relates directly to findings and recommendations in respect of the 'test of local assurance' in Southwark. It will be important to keep consideration of the 'test of local assurance' under review as part of the directorate's self-assessment of leadership and management.

Key Findings

Overall Vision and 'Direction of Travel'

9. The Children's and Adults' Services Directorate continues to operate as part of a dynamic and coherent corporate leadership culture and organisational structure. *A Fairer Future for All* sets out an aspirational vision for the community. The directorate's work is closely aligned with that vision. The directorate is playing a leading role in delivering on the 'Fair Future' promises, with a good level of impact.

Governance and Accountability

10. Southwark Council has clear arrangements for the oversight of safeguarding at political, organisational and partnership levels. Corporate parenting arrangements are well-established. Statutory roles and responsibilities for safeguarding are well understood by the Leader of the Council, Lead Members for Children's and Adults' Services, Chief Executive, and the Strategic Director of Children's and Adults' Services. The Independent Chair of the Local Safeguarding Children Board (LSCB), who is also Chair of the Local Safeguarding Adults Board (LSAB) has good access to the Leader of the Council and the Chief Executive and is able to bring independent challenge on key safeguarding issues. The LSCB Annual Report is considered by the Health and Well-Being Board, Cabinet, and the Children's Services Scrutiny Committee. The Cabinet has considered reports on key areas of safeguarding risk, notably relating to child sexual exploitation.
11. The Lead Member for Children's Services has a good understanding of the strengths and areas for development across the full footprint of Children's Services, including education. The Lead Member for Adult Services has only recently taken up the role but brings wide experience from other responsibilities in the council and work with the local community. Both Lead Members benefit from systematic working arrangements with the Strategic Director and senior managers. The council's performance management arrangements provide a good framework in which the portfolio holders are able to assure themselves about the effectiveness of safeguarding. Opportunities are provided for the Lead Members to work together on key service and policy developments.
12. Safeguarding features appropriately in the programme of work for Scrutiny, which covers both policy development and performance.
13. The Health and Well-Being Board's (HWB) work programme has a stronger focus on the priority issues affecting children and young people's well-being in Southwark, with better alignment with the Joint Strategic Needs Assessment.

Leadership and Management

14. The council managed the move to a combined Children's and Adults' Service effectively in 2012. Continuity of leadership by the Strategic Director and an appropriate range of senior manager posts and accountabilities ensured that core statutory responsibilities were met for both the DCS and the DASS functions.

15. The proposed changes in directorate functions have a clear rationale and should be beneficial to the further development of the Children's and Adults' Services directorate.

Capacity

16. The capacity for the Strategic Director to fulfil the breadth of the portfolio and statutory responsibilities of the DCS is manageable with the proposed senior management posts in the directorate. The Chief Executive's intention to bring the same degree of collegiate and cross-cutting working as exists in the Chief Officer Team (COT) should be beneficial in promoting distributed leadership and sustainable leadership capacity.
17. **Children's Services** has a good understanding of its strengths, areas for development, and key risks. There is a good quality, evidence-based and evaluative self-assessment document that is being used well to drive a self-improving organisation that is 'inspection ready'.
18. Good progress has been made since the last inspection of safeguarding and looked after children in 2012, at which the council was assessed as good, with good capacity to improve.³ The Achieving Excellence Development Plan is providing a strong framework for improving practice and responding to key safeguarding risks, including child sexual exploitation (CSE) and missing children. Likewise there are detailed plans to improve the services and outcomes for looked after children.
19. Educational attainment and progress, and the local authority's support for school improvement, are good. The council is responding well in its commissioning role to meet the challenge of increasing demand for school places.
20. A clear programme of improvement has been established for **Adult Services** with an ambitious programme to transform the provision of adult care through Local Care Networks. It is also planned to streamline assessment procedures to promote greater personalisation, reduce the complexity of the process, and eliminate waiting lists.
21. The Strategic Director has identified the need for a more effective commissioning approach to support service transformation and achieve substantial savings. The Strategic Director is seeking to establish a more coherent approach to commissioning across the directorate, including public health. There is a recognition that this will require a commissioning team with the skills and experience to support change in service design informed by service users, market making, and delivery through new forms of organisation and partnerships.
22. The council's medium term financial strategy includes a savings requirement of £30m in 2015/16, £38.5m in 2016/17 and £28.4m in 2017/18. There is a good track record of achieving savings over the past four years that gives senior

³ The 'capacity to improve' judgement was 'outstanding' for safeguarding and 'good' for services for looked after children. For the purposes of assessing capacity I have amalgamated the judgement to 'good' overall.

officers and members some confidence that the further savings requirement can be met. The council's budget process benefits from a clear set of budget principles that enable a good match between priorities and resources. Current savings plans within the directorate are designed to protect the children's services budget in response to on-going demand pressures, with the burden of savings to be made through a more efficient and effective approach to commissioning, particularly in respect of adult services.

Performance Management and Quality Assurance

23. There are robust performance management arrangements within the directorate, by the COT, and through Performance Challenge meetings with the Leader of the Council. The directorate's reports are comprehensive in nature, providing a wide range of performance information (including finance) and analysis of performance. There is good evidence that the reports are used to identify and tackle key risks. There is a well-established and effective programme of quality assurance.
24. In addition to the current performance management arrangements, consideration should be given to establishing formal quarterly safeguarding review meetings with the Leader and Chief Executive for both children's and adults' safeguarding, with attendance (and challenge) from the Independent Chair.

Workforce Development

25. Workforce development is a strong feature of the work in Children's Services. The council is making impressive use of the DfE Innovation Fund to support its 'Social Work Matters' initiative, which is providing a powerful model for social care practice improvement.
26. The Strategic Director is using workforce development as one of the ways to promote a 'one directorate' approach, with good joint-working evident between the respective Principal Social Workers. There is an opportunity now to create a single workforce development strategy, promoting core competences but also recognising and supporting areas of specialism. There is important learning from current developments in the Social Work Matters programme and from personalisation in adult services that should inform a more integrated workforce development strategy.

Partnerships and Multi-Agency Working

27. The work of the Children's Adults' Service is characterised by effective partnership working within the council, with partner agencies, and key partnerships. The Strategic Director is able to play a full role in supporting effective partnership and inter-agency working.
28. Southwark LSCB is well-established and is meeting statutory duties. The Board has completed a comprehensive self-assessment that has informed specific and appropriate priorities linked with a SMART business plan. Southwark LSAB now has more purposeful priorities and working arrangements in line with statutory requirements. Both Boards are benefitting from the leadership of a single

experienced Independent Chair who is visible and influential and providing appropriate challenge.

29. The transfer of safeguarding partnerships to the Children's and Adults' directorate provides an opportunity to promote more coherent joint-working between the key partnerships; to streamline key processes (e.g. agencies' auditing of their safeguarding responsibilities; joint sub-group work on key areas of cross-cutting safeguarding risk); and to rationalise key business support for the Boards.

Service User Engagement

30. The effective engagement with residents and service users is a core principle that underpins the council's 'Fair Future' vision and priorities. It is carried through into service development work. The budget principles include a commitment to transparency and engagement with specific groups or groups of service users about cuts or service changes.
31. There is extensive evidence of Children's Services 'hearing and acting on the voice of young people' both in casework practice and in activities that foster their participation and engagement.

Opportunities

32. There is a secure foundation from which to promote a cohesive and unifying vision for the directorate, with commissioning as a key driver for change. The Strategic Director and his leadership team are promoting this approach through the multi-agency Families Matter programme, joint work on drug and alcohol misuse, a 'lifetime approach' to meet the needs of children and adults with autism, and wider consideration of an all-age disability service.

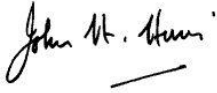
Conclusion

33. On the basis of the above findings, I consider that requirements of the 'local test of assurance' are met.

LOCAL TEST OF ASSURANCE - SUMMARY		
Statutory Duties	Met	Senior management and service structure ensures statutory duties met in respect of Children's Services, Education, Adult Social Services and Public Health
Accountabilities and Responsibilities	Met	This criterion is met. The Chief Executive has appropriate arrangements in place for directly holding to account officers in key statutory roles. There are robust governance and performance management arrangements in place.
Effective partnership and inter-agency working	Met	The respective Safeguarding Boards meet statutory requirements and operate within a partnership protocol with the Health and Well-Being Board. The senior management structure allows for distributed leadership such that the Strategic Director is visible and influential in supporting effective partnership and inter-agency working.

I would be pleased to attend any meetings as required to discuss the findings and recommendations from this independent review. I wish the council and partner organisations well in taking forward this important development.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'John H. Harris', with a horizontal line underneath.

John Harris (Children's Improvement Adviser, Local Government Association)

Item No. 14.	Classification: Open	Date: 9 February 2016	Meeting Name: Cabinet
Report title:		Children in Care and Care Leavers Strategy 2016-2019	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Victoria Mills, Children and Schools	

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

In Southwark we want to do our absolute best for all our children and young people. This goes beyond providing them with a safe home and financial support, it means being honest, open and trustworthy and providing them with love and guidance. It means making the most of the knowledge and resources we have to help them to be the best they can be and be prepared for the everyday challenges of life. It means keeping our door open, picking them up when they are down and treating them with the respect they deserve, as they find their way in the world. It means championing them and celebrating them and not defining them by the care system that they are part of, through no fault of their own, but as the brilliant and unique children and young people they are.

The corporate parenting committee regularly meets with Speakerbox, our Children in Care Council. They told us that communication with social workers, the quality of placements, family contact (particularly siblings) and respecting their right to privacy are some of the things that matter most to them. These key areas, and other feedback from our children and young people, have shaped our vision and strategy.

Through the delivery of this strategy we will keep our children and young people at the heart of what we do, regardless of the challenges we face in local government, and give them the love and support they need to achieve the best possible outcomes.

RECOMMENDATION

1. That cabinet agree the Children in care and care leavers strategy 2016-2019.

BACKGROUND INFORMATION

2. Through its role as a Corporate Parent, the Council and its partners have a responsibility to ensure that the life chances of children in care and care leavers are maximised in terms of health, educational attainment, and access to training and employment and to aid their transition to a secure and productive adulthood.
3. The Council Plan and Health and Wellbeing Board aim to ensure that every child and young person have the Best Start. As well as this, the Children and Young People's Plan, 2013-2016, also includes Safety and Stability and Choice and Control as priority areas.
4. The Children in care and care leavers strategy builds on these priority areas, research, feedback from children and young people, providers and staff, and presents a strategic vision and framework for the improvement and delivery of services for children and care and care leavers, for whom the local authority and its partners are their 'corporate parent'.

KEY ISSUES FOR CONSIDERATION

5. As of January 2016 there are 475 children and young people in care and 350 care

leavers. Most children and young people come into care as a result of abuse and neglect. Some stay in care for a short period of time whilst issues are addressed at home, whilst others move into foster care on a longer term basis or are permanently removed from their birth families for adoption or to move to friends and family care. Generally, young people leave care at 18, though some may be able to stay with their foster carers until the age of 21 through the government's Staying Put¹ arrangement.

6. The Strategy sets out the key strategic aims and priorities for the delivery of support to ensure that children and young people in our care are well supported through their journey into care, whilst they are in our care and as they make the transition to adulthood and independence.
7. The Strategy reflects our duties to children and young people as their corporate parents and provides the council and key partners with the opportunity to be more ambitious for children in care and care leavers in Southwark, recognising that responsibilities as corporate parents extend beyond the remit of children's social care to housing, education, employment, health, community safety, welfare and the community.
8. The Strategy includes the following strategic aims:
 - Safely reduce the number of children in care
 - Improve the health and wellbeing of children in care and care leavers
 - Improve the quality of care and effectiveness of our workforce, leadership, management and governance.
9. In following these aims, the Strategy is aligned to Southwark's Families Matter strategy, aiming to prevent moves into care altogether and the ambitions of the joint NHS Clinical Commissioning Group and Southwark Council Children and Young People's Wellbeing Strategic Framework, particularly in relation to improving the mental and emotional health and wellbeing of children in care and care leavers.
10. Improving the quality of care means ensuring we are delivering our statutory duties well and hearing and acting upon the voice of children and young people. We will continue to deliver a child-centred and multiagency approach to deliver the best possible care and ensure the voice of the child is heard in outcome focused care planning and pathway planning.
11. In the context of the above strategic aims the Strategy includes 10 strategic priorities, which will guide improved practice for children and young people in care and care leavers. These are as follows:
 - a) Children and young people have a say and their voice is heard
 - b) Develop our support and interventions with families to keep children and young people safe, enabling them to remain with or return to their families
 - c) Children and young people achieve timely, permanent care arrangements in safe, secure and loving homes
 - d) More children and young people feel safe and secure in their placements and live closer to home, in provision that meets their needs
 - e) Increase the focus on physical and mental health and social and emotional wellbeing through the development and delivery of our services
 - f) Foster carers, adoptive parents and special guardians feel well supported to deliver the best care
 - g) More children and young people make good educational progress and achieve the best possible outcomes at Key Stage 2 and 4
 - h) Continue to safeguard children and young people who are risk of CSE, missing,

¹ [DfE, 2013, Staying Put arrangements for care leavers aged 18 and above](#)

- criminal activity and radicalisation
- i) Young people leave care well prepared for independent living
- j) More care leavers are in education, employment and/or training.

12. Delivery of the strategy will be monitored through the Corporate Parenting Committee.

Policy implications

13. The Strategy is based on the policy driving principles set out in the Children Act 1989 and the UN Convention on Rights of the Child (1992 in the UK) that the child's best interests must be paramount and "every child has the right to express their views feelings and wishes in matters affecting them and to have their views considered and taken seriously".
14. It supports the principles established in Every Child Matters (2003) and the Children and Young Persons Act 2008; to improve the stability of placements and improve the educational experience and attainment of young people in local authority care or those about to leave care.
15. In line with Working Together to Safeguard Children (2015) the Southwark Safeguarding Children Board provides inter-agency working to safeguard and promote the welfare of children. It emphasises that safeguarding is the responsibility of everyone who comes into contact with children and the importance of thorough assessment, prompt action and early intervention.
16. In their inspections of services for children in need of help and protection, children looked after and care leavers Ofsted expects that in a good authority:
 - Children and young people looked after, those returning home and those moving to or living in permanent placements outside of their immediate birth family have their welfare safeguarded and promoted. Children and young people are helped to live in permanent homes or families with unnecessary delay. The development of safe and stable relationships with adults is central to planning for their futures.
 - Young people leaving care or who have left care receive help and support tailored to their individual needs and comparable to what they would receive from a reasonable parent. They are provided with opportunities, support and help to enable them to move successfully to adulthood.

Community impact statement

17. The Strategy has been developed through feedback from children and young people and representatives from Speakerbox, our Children in Care Council, via the Children's Rights Team, research and consultation with staff, partners and providers.
18. The delivery of the Strategy ensures that children and young people in care and care leavers are supported to achieve positive outcomes whilst in care and when they leave care. It enables the council, and partners, to effectively deliver duties as a corporate parent and commit to taking a council wide approach to this.
19. A key underpinning principle of the Strategy will be to ensure that policy and practice embeds consideration of equalities and human rights throughout the delivery of our child-centred services. To evidence this, an equalities analysis has been undertaken of this strategy to ensure that there is compliance with the council's Public Sector Equality Duty (PSED). This is attached at Appendix 2.

Resource implications

20. The delivery of the Strategy will be supported by existing resources available within both the local authority and partners. There are no immediate financial implications over and above existing allocated funds.
21. The strategy aims to safely reduce the numbers coming into care, keep children and young people in placements that are closer to and in the borough, improve employment and training outcomes for care leavers. Over time, and with improved partnership working across the council and key partners such as the Clinical Commissioning Group, this should ensure that services are more cost effective and efficient.

Legal implications

22. Cabinet is being asked to agree the Children in care and care leavers strategy 2016-2019.
23. Working Together 2015² states that local authorities have overarching responsibility for safeguarding and promoting the welfare of all children and young people in their area. A number of statutory functions under the 1989 and 2004 Children Acts make this clear. These include specific duties in relation to children in need and children suffering or likely to suffer significant harm, regardless of where they are found, under sections 17 and 47 of the Children Act 1989.
24. Legislation also requires looked after children to have care plans that identify the individual needs of a child and how those needs will be met. Care plans are subject to regular review. Further planning is required for children as they prepare to and as they leave care.
25. The director of children's services and the lead member for children's services in local authorities are the key points of professional and political accountability for the effective delivery of these functions.
26. Safeguarding and promoting the welfare of children is defined in Working Together as:
 - Protecting children from maltreatment;
 - Preventing impairment of children's health or development;
 - Ensuring that children grow up in circumstances consistent with the provision of safe and effective care; and
 - Taking action to enable all children to have the best outcomes.
27. Under the PSED General Duty public authorities must have 'due regard' to the need to eliminate unlawful discrimination, harassment and victimisation as well as to advance equality of opportunity and foster good relations between people who share a protected characteristic and those who do not. The protected groups covered by the equality duty are: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. The duty also covers marriage and civil partnerships, but only in respect of eliminating unlawful discrimination.
28. In order to ensure that the strategy demonstrates compliance with the PSED an equalities analysis has been undertaken. It concludes that the strategy presents no adverse impact on any persons with protected characteristics. It identifies issues for particular groups of children in care and highlights the steps being taken to ensure that the needs of these children are met. Member's are referred to the equalities analysis which is at Appendix 2.

² [HM Government, March 2015, Working Together to Safeguard Children](#)

Financial implications

29. There are no direct financial implications arising from this report.

Consultation

30. In 2013, the Children and Young People's Plan was published, following consultation with more than 1000 children, young people, their families and carers who in the report 1,000 Journeys talked about what they thought was important and what they wanted from services to help them thrive. The Strategy builds on the Best Start, Safety and Stability and Choice and Control priorities within the plan.
31. The strategy was developed based on feedback from consultations with children and young people in care and care leavers through 2014 and 2015. The consultations were primarily conducted through the Children's Rights Team via Speakerbox, our Children in Care Council. This valuable insight has shaped the strategic priorities and the values that underpin these in the Strategy.
32. Engagement has taken place with staff and practitioners and key partners through dedicated consultation sessions, through the Corporate Parenting Committee, the Children in Care Council and the New Belongings Care Leavers Forum.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Children and Young People's Plan	Southwark Council, 160 Tooley Street, London SE1 2QH	
Link: http://www.southwark.gov.uk/info/200165/southwarks_children_and_families_trust/1484/children_and_young_peoples_plan		
1,000 Journeys	Southwark Council, 160 Tooley Street, London SE1 2QH	
Link: http://www.southwark.gov.uk/info/200165/southwarks_children_and_families_trust/1484/children_and_young_peoples_plan		

APPENDICES

No.	Title
Appendix 1	Draft Children and Care and Care Leavers Strategy, 2016-2019 (circulated separately)
Appendix 2	Equality Analysis: Children in care and care leavers strategy, 2016-2019 (circulated separately)

AUDIT TRAIL

Cabinet Member	Cllr Victoria Mills, Cabinet Member for Children and Schools		
Lead Officer	Rory Patterson, Director, Children’s Social Care		
Report Author	Elaine Gunn, Principal Strategy Officer		
Version	Final		
Dated	26 January 2016		
Key Decision?	Yes		
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER			
Officer Title	Comments Sought	Comments Included	
Director of Law and Democracy	No	No	
Strategic Director of Finance and Governance	No	No	
Cabinet Member	Yes	Yes	
Date final report sent to Constitutional Team		29 January 2016	

Item No. 15.	Classification: Open	Date: 9 February 2016	Meeting Name: Cabinet
Report title:		Southwark Coordinated Admission Schemes for Primary, Junior and Secondary Admissions 2017	
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 is responsible for coordination of applications for admission to all schools in the borough and is signed up to the PAN London agreement to deliver this service. The coordinated admissions schemes have been developed to ensure a fair and transparent system to allocate school places at normal point of entry – Reception class and Year 7.

RECOMMENDATIONS

1. That Cabinet agrees the Primary, Junior and Secondary co-ordinated admission schemes for 2017 admissions attached as appendix 1, appendix 2 and appendix 3 of this report.

BACKGROUND INFORMATION

2. The co-ordination of admission arrangements must adhere to the requirements of the School Standards and Framework Act 1998, The School Admissions (Admission Arrangements and Co-ordination of Admission Arrangements) (England) Regulations 2012 (as amended) and the School Admissions Code 2014. These arrangements apply to admission authorities of all maintained schools and non-maintained state funded schools.
3. At the Cabinet meeting on 19 March 2013, the Leader of the Council delegated authority to the cabinet member for children's services to agree the Secondary and Primary Admissions Schemes for 2015 admissions and onwards where there were no changes made from the previous year. These reports are being presented to Cabinet this year due to proposed changes to the admission arrangements for community primary schools for 2017.
4. The Council is the admissions authority for Southwark community primary schools only and also has a statutory responsibility for coordinating school admission applications on behalf of all Southwark residents applying for a place at a primary, junior or secondary maintained school/non maintained state funded school in England. This includes admissions at normal points of entry, e.g. to primary reception year including Year 3 transfer and secondary Year 7 including 14-19 University Technical College transfer. Arrangements for these coordinated admissions are negotiated and agreed across all 33 London local authorities to form a pan-London admissions scheme.

5. Coordination provides families with a single point of application to schools where up to six preferences may be made on a common application form. The council is also responsible for confirming a single school offer to each child on offer date, which, for the September 2017 intake, is 1 March for Secondary and 18 April for Primary and Junior applications. The exception to this coordinated admissions process would be applications to any new free schools currently being established for September 2017 which are not able to be included in the co-ordinated admissions process which will begin in September 2016. There are currently no new free schools due to open within Southwark with a confirmed opening date of September 2017. If a new free school with an opening date of September 2017 is subsequently confirmed they will be expected to operate a separate application process alongside the Council's co-ordinated primary and secondary admission schemes. This would enable families to submit an expression of interest directly to the schools in addition to listing up to six preferences via Southwark's primary and secondary co-ordinated admission schemes. The Council would then work collaboratively with the free school to co-ordinate the change of offers where families reject an offer received through the coordinated admissions scheme in favour of a place at the new free school. This method worked successfully for Belham Free School which opened in September 2015 and is currently being used for Galleywall Primary School and the Charter School East Dulwich which are due to open in September 2016.
6. Local authorities like all other admission authorities must determine their final admission arrangements and co-ordinated admission schemes (primary, junior and secondary) by 28 February 2016 for September 2017 admissions, and notify the Secretary of State if a coordinated scheme has been secured also by this date.
7. No changes to the council's co-ordinated admission schemes (primary, junior and secondary) for September 2017 are proposed therefore, there is no requirement to consult. However, as good practice and for information to key stakeholders, the local authority circulated these co-ordinated admission schemes alongside its consultation on Community Primary Schools Admission Arrangements 2017 for comments and views from the public by 31 December 2015.

KEY ISSUES FOR CONSIDERATION

Co-ordinated admissions schemes

8. The School Admissions Code 2014 sets out requirements for local authorities to provide a system to enable the efficient admission of pupils to schools at normal point of entry (Reception Year, Year 3, Year 7 and 14-19 UTC transfer). A co-ordinated admissions scheme for 2017 admissions must be in place with details of how this will operate within each local authority.
9. Co-ordinated admissions schemes must enable parents in a home local authority to apply to any school in England. The co-ordinated admission schemes must set out how information will be received, processed and transferred between the local authority, the applicants, the schools and neighbouring boroughs for primary, junior and secondary. Any offer of a school place must be made by the home local authority.

10. Co-ordinated admission arrangements provide a fair and efficient school admissions process whilst almost entirely eliminating the risk of multiple offers being made to individual families.
11. Local authority officers across London developed the key principles, including a mix of mandatory and optional clauses for each for co-ordinated scheme to be considered and implemented by individual local authorities. Co-ordinated admission schemes for primary, junior and secondary which meet the PAN London requirements are attached respectively as appendices 1, 2 and 3 of this report.
12. The current co-ordinated admission schemes for primary, junior and secondary admissions have worked well and enabled successful management of school admissions. No changes have been made to these arrangements other than dates throughout the documents to reflect the 2017 academic year and the inclusion of the online application process.

Community impact statement

13. The Co-ordinated Admissions process is designed to produce fair and equitable access to school places for all children. Allocation of places is delivered through the strict application of admissions and oversubscription criteria of each school through a central PAN London computer. All admission authorities are expected to implement clear admission arrangements that achieve equity and fair access for all pupils in line with the School Admissions Code 2014.
14. Additional support is made available to families who may need support in understanding the application process and selecting schools of their preference through the Southwark Information, Advice and Support Team. This involves a significant amount of outreach support and drop in sessions throughout the year at schools and libraries, some for specific EAL communities with interpreters plus weekly drop in at a Southwark one stop shop. Support is also made available on a one to one basis on request and through referrals from schools and other agencies.
15. Southwark residents have also been supported directly by school admission officers during the application stage of the admissions process. 'Apply online' sessions were held at participating schools/nurseries across Southwark during the autumn term, aimed at families requiring additional one to one support. For families without access to a computer or internet at home, Southwark libraries and one stop shops also offered free internet usage with admissions staff on hand to help. The online application system enables a streamlined service to be delivered so officers are able to provide high quality direct assistance to families and advise on the admissions process in person, thus improving the service as a whole and in particular for those families who may have difficulty navigating the admissions system.

Finance implications (FI/1107/MS)

16. All costs associated with the admissions process are chargeable to the Schools Budget and are therefore met from the Dedicated Schools Grant (DSG). There are no direct financial implications for the council's revenue budgets.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy

17. Cabinet is advised that it is enabled to agree the recommendation under matters reserved to full Cabinet in Part 3C of the Council's Constitution.
18. Cabinet is advised that the legal framework surrounding the admissions schemes is set out in the School Standards and Framework Act 1998, the School Admissions (Admission Arrangements and Co-ordination of Admission Arrangements) (England) Regulations 2012 (as amended) and the School Admissions Code 2014.
19. Cabinet is reminded of the public sector equality duty under section 149 Equality Act 2010 when making this decision. This requires that, when exercising any of the council's functions, due regard be given to the need to eliminate discrimination, advance equality of opportunity, and foster good relations between people with protected characteristics and those with none. . In particular Cabinet will note the adjustments in place to enable full access to support and information for all communities in Southwark, outlined in the Community Impact Statement.

Strategic Director of Finance and Governance

20. The Strategic Director of Finance and Governance confirms that all costs will be met from the Dedicated Schools grant. There are no direct financial implications for the council's revenue budgets.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
The School Admissions Code 2014		Glenn Garcia 020 7525 2717
Link: https://www.gov.uk/government/publications/school-admissions-code--2		
The School Standards and Framework Act 1998		Glenn Garcia 020 7525 2717
Link: www.legislation.gov.uk		
School Admissions (Admission Arrangements and Co-ordination of Admission Arrangements) (England) Regulations 2012		Glenn Garcia 020 7525 2717
Link: www.legislation.gov.uk		

APPENDICES

No.	Title
Appendix 1	Southwark Primary Coordinated Admission Scheme for September 2017 (circulated separately)
Appendix 2	Southwark Junior Coordinated Admission Scheme for September 2017 (circulated separately)
Appendix 3	Southwark Secondary Coordinated Admission Scheme for September 2017 (circulated separately)

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	Glenn Garcia, Head of Pupil Access		
Version	Final		
Dated	26 January 2016		
Key Decision?	Yes		
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER			
Officer Title		Comments Sought	Comments included
Director of Law and Democracy		Yes	Yes
Strategic Director of Finance and Governance		Yes	Yes
Cabinet Member		Yes	Yes
Date final report sent to Constitutional Team			26 January 2016

Item No. 16.	Classification: Open	Date: 9 February 2016	Meeting Name: Cabinet
Report title:		Admission Arrangements for Community Primary Schools - September 2017	
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 is responsible for the admission arrangements of all community primary schools in the borough. We have a duty to ensure these arrangements are fair, clear and equitable to enable families to access the schools of preference for their children. Southwark's arrangements work well and the criteria used are similar to those of our neighbouring boroughs, Lewisham and Lambeth. For these reasons the arrangements remain similar to previous years. However, there is a proposed change to Southwark's admission arrangements for 2017 relating to the measurement of distance at Ivydale Primary School which is to become a four form entry across a split school site from September 2017.

RECOMMENDATION

1. That Cabinet agrees the Southwark Community Primary Schools Admission Arrangements ("the Arrangements") for September 2017 as set out in Appendix 1 of this report.

BACKGROUND INFORMATION

2. The Council is the admission authority for community primary schools within Southwark. It must, before the beginning of each school year, determine the admission arrangements for those schools which are to apply for that year.
3. The School Admissions Code 2014 ("the Code"), which applies to all maintained schools, academies and free schools came into force on 19 December 2014. When determining admission arrangements, admission authorities are required to act in accordance with all mandatory provisions contained in the Code.
4. Admission arrangements must also adhere to the requirements of the School Standards and Framework Act 1998 ("the SSFA 1998"), the School Admissions (Admission Arrangements and Co-ordination of Admission Arrangements) (England) Regulations 2012 (as amended) ("the Regulations") and the School Admissions (Infant Class Sizes) (England) Regulations 2012.
5. At the Cabinet meeting on 19 March 2013, the Leader of the Council delegated authority to the cabinet member for children's services to agree the Secondary and Primary Admissions Schemes for 2015 admissions and onwards where there were no changes made from the previous year. This report is being brought to Cabinet for determination because changes are proposed to the Arrangements, as outlined in paragraph 8 of this report.

6. The Regulations and paragraph 1.42 of the Code require all admission authorities to consult when proposing to change their admission arrangements. Where admissions arrangements have not changed from the previous year, there is no requirement to consult. However, admissions authorities must as a minimum consult on their admissions arrangements at least once every seven years, even if there are no changes to their existing arrangements. In 2009 the Department for Education required all admission authorities in England to consult on their 2010 admission arrangements, irrespective of whether any changes were proposed. All admission authorities must therefore consult on their arrangements this year if they have not done so since 2009. The Council has written to all admission authorities in Southwark with a reminder of this.
7. Consultation on admission arrangements must run for a period of at least six weeks and be completed by 31 January in the year preceding the year the change is to be effected (i.e. 31 January 2016 for September 2017 admissions).
8. The Council's consultation on the Arrangements took place between 17 November 2015 and 31 December 2015.
9. The Arrangements remain similar to the previous year's arrangements and are similar to the arrangements of neighbouring authorities. The proposed change which prompted the consultation relates to the expansion of Ivydale Primary School, which will become a four form entry school based on two sites from September 2017 (subject to completion of building work). The consultation set out a proposal relating to the distance criteria, to measure distance using a straight line from each applicant's home address to the main gates of both school sites. The shorter of the two distances would then be used. The purpose of this proposal is to promote fairness, equity and to be inclusive towards families.
10. The consultation was available for viewing on the school admissions pages of the Council's website and circulated to all maintained primary and secondary schools within Southwark, neighbouring local authorities and both the Anglican and Roman Catholic diocesan boards. A notice was also published in Southwark News to publicise the consultation. No responses were received.
11. Final admission arrangements for September 2017 admissions must be determined by 28 February 2016. The Arrangements will be confirmed to the Secretary of State by 28 February 2016.
12. Full details of the Arrangements, along with those of all other admission authorities in the borough, will be included in the Starting Primary booklet for September 2017. Many families will use this booklet as a main source of information when selecting a primary school and will be able to download the booklet from the school admissions web page or view a hard copy at any Southwark school, nursery, library or one stop shop.
13. The full admission arrangements, including supplementary information forms and any proposed changes for all Southwark admission authorities consulting on their 2017/18 arrangements have been checked by officers to ensure compliance with the Code. Formal written comments were provided in respect of any issues of non compliance or, where a proposed change could adversely impact on the community. All comments provided must be considered before determination of arrangements. Any serious breach of compliance may be referred to the Office of

the Schools' Adjudicator if not remedied through discussion with the admission authority directly.

14. A list of the published admission numbers for all Southwark primary schools for the September 2017 intake is attached at Appendix 2.

Coordinated primary admissions for September 2016

15. The coordinated primary school admissions process is underway across London for children to be admitted to Reception class in September 2016. Families make a single application to their home borough for up to six schools of their preference through the co-ordinated process. On National Offer day they will receive a single offer of a primary school place.
16. Parents and carers are able to express up to six school preferences on their application forms and will be offered the highest preference possible through the pan-London system. Offer letters will be sent to parents and carers on 18 April 2016.
17. A total of 3395 on-time primary school applications have been received for September 2016 admission, a decrease of 141 applications. During the process admissions officers worked collaboratively with Southwark schools and nurseries to provide 'Apply online' information sessions for families. During the sessions parents and carers had the opportunity to complete their online application with admissions officers at hand to assist with any queries they may have.
18. 4,025 reception places will be available across the borough in order to meet demand in September 2016. This includes the opening of Galleywall Primary School - a new free school promoted by the City of London Academy in the SE16 area which will create 60 places. A list of the Published Admission Numbers for Southwark's primary and secondary schools for September 2017 intake can be viewed at Appendix 2 and Appendix 3.

Community impact statement

19. The Arrangements, together with the Council's participation in the co-ordinated admissions scheme for primary admissions, is designed to produce fair and equitable access to school places for all children. Allocation of places is delivered through strict application of admissions and oversubscription criteria of each school in Southwark through a central (pan-London) computerized system.
20. Additional support is provided to families that find it difficult to navigate the admissions system through the Admission Officers and the Southwark Information, Advice and Support Team. This involves a significant amount of outreach support and drop in sessions throughout the year at surgeries, schools and libraries, in order to engage EAL communities with the use of interpreters as well as parents / parents of children, who may have a protected characteristic under the Equality Act 2010. There is also a weekly drop in to provide support on admissions issues at a Southwark one stop shop.
21. 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.

22. We have had due regard, in consultation, and will have due regard when carrying out the proposed activities, for the need to eliminate discrimination, advance equality of opportunity, and foster good relations between people with protected characteristics and those with none. Provision of new school places and fair and equitable admissions policies:
 - a) "advances the cause of the elimination of discrimination" by removing potential discrimination based on the protected characteristics
 - b) "advances equality of opportunity" by ensuring that all groups, irrespective of background, have equal access to school places
 - c) "fosters good relations" by implementing a demonstrably fair and equitable policy for school admissions across the borough for people with protected characteristics and those without.
23. "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. A detailed examination of all of these characteristics was carried out in a comprehensive EIA of the process, which is available on request, and which concluded "No negative impacts of the new arrangements or additional school capacity, or the proposed changes to Ivydale Primary School's admissions arrangements have been identified, so no mitigating actions are required, and no equality objectives will derive from these specific proposals."

Finance implications FI/1106/MS

24. All costs associated with the admissions process are chargeable to the Schools Budget and, are, therefore, met from Dedicated Schools Grant (DSG). There are no direct financial implications for the council's revenue budgets.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy

25. Cabinet is advised that it is enabled to agree the recommendation under matters reserved to full Cabinet in Part 3C of the Council's Constitution.
26. Cabinet is advised that school admissions arrangements are governed by the SSFA 1998, together with the Regulations and Code, as stated within the body of the report. Cabinet is advised that the proposed Arrangements and the consultation undertaken in relation to the proposed change comply with the applicable law.
27. Cabinet is reminded of the public sector equality duty under section 149 Equality Act 2010 when making this decision. This requires that, when exercising any of the council's functions, due regard be given to the need to eliminate discrimination, advance equality of opportunity, and foster good relations

between people with protected characteristics and those with none. In particular Cabinet will note the adjustments in place to enable full access to support and information for all communities in Southwark, outlined in the Community Impact Statement.

Strategic Director of Finance and Governance

28. The Strategic Director of Finance and Governance confirms that all costs will be met from the Dedicated Schools grant. There are no direct financial implications for the council's revenue budgets.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
The School Standards and Framework Act 1998		Glenn Garcia 020 7525 2717
Link: www.legislation.gov.uk		
The School Admissions (Admission Arrangements and Co-ordination of Admission Arrangements) (England) Regulations 2012		Glenn Garcia 020 7525 2717
Link: www.legislation.gov.uk		
The School Admissions Code 2014		Glenn Garcia 020 7525 2717
Link: https://www.gov.uk/government/publications/school-admissions-code--2		

APPENDICES

No.	Title
Appendix 1	Southwark Community Primary Schools Admission Arrangements for September 2017 (circulated separately)
Appendix 2	Southwark Primary Schools – Published Admission Number for September 2017 intake (circulated separately)
Appendix 3	Southwark Secondary Schools – Published Admissions Number for September 2017 intake (circulated separately)

AUDIT TRAIL

Cabinet Member	Councillor Victoria Mills, Cabinet Member for Children’s and Schools		
Lead Officer	David Quirke-Thornton, Strategic Director of Children’s and Adults Services		
Report Author	Glenn Garcia, Head of Pupil Access		
Version	Final		
Dated	26 January 2016		
Key Decision?	Yes		
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER			
Officer Title		Comments Sought	Comments included
Director of Law and Democracy		Yes	Yes
Strategic Director of Finance and Governance		Yes	Yes
Cabinet Member		Yes	Yes
Date final report sent to Constitutional Team			26 January 2016

Item No. 17.	Classification: Open	Date: 9 February 2016	Meeting Name: Cabinet
Report title:		Gateway 2 – Contract Award Approval - Management of the Council's Leisure Centres	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Barrie Hargrove, Public Health, Parks and Leisure	

FOREWORD – COUNCILLOR BARRIE HARGROVE, PUBLIC HEALTH, PARKS AND LEISURE

This report calls on cabinet to agree the recommendation to award the contract to manage Southwark's leisure facilities to Sports and Leisure Management Ltd. (SLM). This is a very exciting time for Leisure in Southwark. The introduction of Free Swim and Gym throughout the borough, opening of the brand new facility at the Elephant and Castle, exciting plans for an eight lane state of the art Leisure Centre at Canada Water, to name just three.

Not least of course, is the opportunity to revamp service provision across the suite of our centres. Since 2010 the council has continued to make capital investment in sport and leisure. More than £50m has already been spent on bringing swimming pools, gymnasias and other indoor sports provision up to the very best standards in class. This has been reflected in an enormous jump in usage of Southwark's centres from some 900,000 in 2010/11 to nearly 1.4 million visits today.

But this is not a signal that we want to stop there. Attracting additional numbers of users is a good and very welcome thing in itself and something I have full confidence our service with our new partner will continue to do. However, health inequalities is fast rising up the political agenda, and this tendering process seeks to address that.

I would like to thank our current leisure provider for all they have made possible for residents and users these last fifteen years or so. I want to thank them for all the work they have done in recent months in seeking to attract "harder to reach" residents through our Free Swim and Gym pilot scheme. We very much see SLM building and expanding on this.

I also wish to pay tribute to the officers in the environment & leisure Department (and across the Council generally) from whom I have witnessed exceptional diligence and robustness in reaching this point in the tendering process. Going forward, I fully expect Southwark's local authority Leisure offer to be amongst the very best in the country. As an elected member the bulk of the correspondence I receive regarding our leisure centres concerns maintenance and cleaning standards. These are the bread and butter basics and I am confident that not only does this report and related tender documentation address them, I am confident that our officers will monitor these aspects with the same rigorous focus described above.

We are embarking on another step upwards and outwards for Leisure, Sport and Health in our borough. I am satisfied that this proposed partnership arrangement offers the best value and service delivery option for the council and the residents it so proudly serves.

RECOMMENDATIONS

1. That the Cabinet approves the award of the contract to manage the Council's leisure facilities for a period of seven years to Sports and Leisure Management Ltd. (SLM) from 21 June 2016 with an option to extend for a period or periods of up to a further seven years.
2. That the Cabinet notes that the profile of the fee is one which results in the council being paid a fee from the second contract year onwards. Details of which are noted in the closed report.
3. That Cabinet notes that the delivery of the Council's Fairer Future promise of Free Swim and Gym for all residents, as outlined in paragraph 17, will be delivered within the contract sum being paid to the Council.
4. That the Cabinet note the success of the Due North Procurement Portal which was used for this procurement as a one off test project.

BACKGROUND INFORMATION

5. The gateway 1 report for the procurement strategy was approved on 17th March 2015. The procurement route approved was for the council to carry out a competitive tendering exercise by way of an EU tendering process to seek a minimum of five tenders. The procurement timetable and methodology approved in the gateway 1 report was followed and is set out in the procurement project plan below.
6. The council's current leisure management contract with Fusion Lifestyle will expire in June 2016 and currently covers six centres.
7. The Elephant and Castle Leisure Centre was included in the agreement until June 2012 when partial termination of the agreement was arranged to enable its redevelopment. The Castle Centre has now been bought back into the current agreement via a Deed of Variation until the current contract expires in June 2016.
8. Over the last several years, the council has invested more than £50 million in its leisure facilities including the new centre at the Elephant and Castle, total refurbishment of Camberwell and Dulwich leisure centres and Surrey Docks Watersports Centre and a range of works at Peckham Pulse and Seven Islands Leisure Centre. Southwark Park Athletics Track will be brought back into use in 2016 and there are also plans for a major new leisure centre at Canada Water to replace Seven Islands. £2 million is being invested in the current Seven Islands centre to sustain and improve the service pending the delivery of the new facility.
9. This investment has resulted in a very significant increase in the use of Southwark's leisure centres which now receive nearly 1.4 million visits per year compared to just over 900,000 in 2010/11. The much improved condition of the building stock, provision of new facilities and increased uptake in use combine to

make the Southwark contract very attractive to the leisure market and potential providers.

10. Following this investment, the council is keen to further increase the levels of use and to ensure that the service contributes strongly to the health agenda. In view of this, the council is committed to introducing a free swim and gym offer to all residents. This has been piloted with targeted groups since May 2015, with an all residents general offer being introduced from July 2016.
11. The key objectives of the procurement strategy were:
 - Social and Fairer Future priorities;
 - Sustained service improvement (including greater innovation and community involvement);
 - Greater council influence on the service policy and design (i.e. what it looks like and how it is delivered);
 - Improved cost effectiveness and efficiency; the leisure portfolio is completely different as a result of the investment programme. This has positively altered its attractiveness within the leisure market;
 - Greater transparency through more open book accounting;
 - Flexibility to make changes to the service as necessary.

Table 1. Procurement project plan (Key Decision)

Activity	Completed by/Complete by:
Approval of Gateway 1: Procurement Strategy Report	17/03/2015
Invitation to tender	18/08/2015
Closing date for return of tenders	23/10/2015
Completion of evaluation of tenders	23/11/2015
Forward Plan	01/12/2015
DCRB Review Gateway 2:	14/12/2015
CCRB Review Gateway 2:	07/01/2016
Notification of forthcoming decision – despatch of Cabinet agenda papers	28/01/2016
Cabinet Approval of Gateway 2: Contract Award Report	09/02/2016
End of Scrutiny Call-in period and notification of implementation of Gateway 2 decision	17/02/2016
Standstill Period	22/02/2016
Contract award	29/02/2016
Add to Contract Register-	07/03/2016
TUPE Consultation period	19/06/2016
Contract start	21/06/2016
Publication of award notice in Official Journal of European (OJEU)	07/03/2016

Activity	Completed by/Complete by:
Publication of award notice on Contracts Finder	10/03/2016
Contract completion date	20/06/2023
Contract completion date – if extension(s) exercised up to maximum of 7 years	20/06/2030

KEY ISSUES FOR CONSIDERATION

Description of procurement outcomes

12. This report seeks the approval to award the contract for the management of the following leisure facilities;

- Camberwell Leisure Centre
- Dulwich Leisure Centre
- Peckham Pulse Healthy Living Centre
- Seven Islands Leisure Centre
- Southwark Athletics Centre
- Surrey Docks Water Sports Centre
- The Castle
- Geraldine Mary Harmsworth Sports Facility (additional to existing requirement)

Sports booking system

13. Included in the services to be provided is the management of the booking systems and services for all of the centres listed above as well as those listed below (not including tennis courts which potentially will be covered by a separate arrangement but still have the ability to integrate with this sports booking system)

- Burgess Park
- Belair Park
- Dulwich Park
- Honor Oak Sports Ground
- Peckham Rye Park
- Southwark Park
- Tabard Gardens

14. The new sports booking service will allow customers to;

- make online payments and bookings for all sports services
- provide a single point of access to booking sports facilities for the whole borough either on line, over the phone or in person.

15. The new system will also

- have read only access to the system for the council
- provide robust sales analysis, management information and review of asset maximisation.

16. The new system will be fully implemented within 6 months of the contract commencement date. The contractor has committed to linking the booking system with MySouthwark.

Free swim and gym

17. The offer for all residents will be introduced in July 2016. The contractor will market, deliver and measure the following:
 - Free swim and gym for all residents and council staff all day on Fridays and Saturday/Sundays from 2.00pm to close at all centres
 - The swimming includes general/lane swimming and age related swim sessions (child and adult go free)
 - The gym includes junior gym sessions for 14-15 year olds at specified times and free access to residents aged over 16
 - Over 60s residents access to the current Silver programme for free. These are various swimming, gym and classes that operate at various times during the week
 - Free swim and gym throughout the week for those on the GP physical activity referral scheme including Kickstart; and the NHS Health Checks Programme
 - Free disabled access to the gym and swimming pool all week.

Policy implications

18. The leisure contract will have cross cutting benefits in promoting good health and social cohesiveness. It will be the vehicle for delivering the council's Fairer Future promise of access to free swim and free gym facilities.
19. The contract will also contribute to achieving a number of the other Fairer Future promises such as value for money and contributing to Southwark becoming an age friendly borough, through schemes that ensure all residents, no matter what their age have access to excellent leisure facilities.
20. The contract procurement process followed has ensured that the preferred contractor has adopted the Fairer Future principles in the delivery of the services.
21. The new leisure contract is in line with the aims of the council's Physical Activity and Sport Strategy 2014-17 in relation to providing a new and enhanced leisure contract that maximises use of the facilities through excellent management and programming resulting in increased participation in physical activity.
22. The leisure contract is in line with a number of objectives in Southwark's Health and Wellbeing Strategy such as;
 - Giving every child and person the best start in life
 - Building healthier and more resilient communities and tackling the root causes of ill health
 - Improving the experience and outcomes of care for our most vulnerable residents and enabling them to live more active and independent lives.

Tender process

23. It was agreed that the procurement route for this contract would be the restricted tender process pursuant to the Public Contracts Regulations (2015), whereby an invitation was issued for expressions of interest via a pre-qualification questionnaire. Those economic operators who were shortlisted (up to five organisations) following evaluation of the pre-qualification questionnaires were then invited to tender.

Tender prequalification questionnaire (PQQ)

24. The contract was advertised in 27 June 2015 through the OJEU and contracts finder website.
25. On 6 July 2015, a bidders day took place starting at Surrey Docks Water Sports Centre with a presentation and tour of the centre and included tours of the other main sites included in the contract. 15 representatives from 6 companies attended.
26. Officers arranged a trial of the London Procurement Portal with Due North (portal owners and administrators) to assist with the management of the procurement. This was the first procurement by the council to be conducted solely via the web. Officers fed back to the Procurement Advice Team that conducting the procurement using the web portal had numerous advantages including process transparency, accountability and more efficient use of council resources.
27. 7 PQQ's were submitted via the portal. The PQQs were evaluated against a pass/fail assessment for the mandatory PQQ requirements and a scoring of the project related questions specific to this tender such as quality management, experience of operating a similar contract and social value initiative and concessionary schemes.
28. All 7 passed the PQQ, but in accordance with the council's stated selection criteria, only the top 5 ranked providers were invited to tender.

Invitation to tender (ITT)

29. Tender returns were evaluated using published evaluation criteria based on a Most Economically Advantageous Tender (MEAT) approach which comprised a technical evaluation and a financial evaluation to assess quality and price. The council standard price: quality ratio for evaluating tenders is 70:30. However, with very competitive financial bids expected it was important to ensure that standards of quality and delivery are maintained. In accordance with the Gateway 1 the tenders were evaluated using a 60:40 price:quality ratio with quality thresholds set for all key method statements. The 13 method statements for the technical criteria are listed below.

Table 2. Technical method statements and commercial weightings

Quality/Technical criteria	Weighting
Programming, Sports Development and Partnership Working	6%
Social Impact and Health Outcomes	6%
Customer Care, Marketing & PR	4%
Service Improvement and Innovation	4%

Quality/Technical criteria	Weighting
Asset Management and Environmental Sustainability	3%
Staffing	3%
Quality and Quality Management Systems	3%
Health and Safety	3%
Financial Management, Reporting, IT Systems & CRM	2%
Cleaning	2%
User Prices	2%
Catering	1%
Contract Mobilisation	1%
Technical weighting (Quality)	40%
Commercial weighting/proposed management fee (Price)	60%

30. The council encouraged bidders to visit the sites covered by the contract to enable the preparation of fully informed and high quality proposals.
31. Bidders were informed of the council's intent to build a new facility in the Canada Water area in the next 3 to 4 years and that this facility would be a replacement facility for the existing Seven Islands Leisure Centre. They were also informed of the council's intent to vary the new centre into the existing contract via a change control procedure. Bidders were asked to bid against a particular set of assumptions.
32. Bidders were asked to consider potential facility improvements that they could introduce during the life of the contract subject to any planning approvals and consultation processes. They were asked to factor the cost of these improvements into their business plans and this investment by the contractor is set out in the closed report.
33. In relation to the Free Swim and Gym Scheme bidders were asked to bid on the basis of the offer noted in paragraph 17. In addition to this they were also asked to provide a mechanism by which an extension to the scheme could be calculated as any expansion on the existing wider offer would result in additional costs to the council. The contract includes change control mechanisms to expand the scheme at a future date should the council wish to.
34. During the ITT process 2 of the 5 bidders invited to tender withdrew from the process. The Project Board considered that continuing the tender process with the remaining 3 providers was sufficient to ensure a competitive process.

Tender evaluation

35. The council received three tenders details of which are in the closed report.
36. Tenders were subject to an initial compliance check to confirm that:
 - Tenders had been submitted on time, were completed correctly and met the requirements of the Invitation to Tender.
 - That no tenderer had contravened any of the terms and conditions of the Restricted Procedure or the tender process – either provided in the Public Contracts Regulations 2015 (as amended) and/or the Invitation to Tender
 - That each tenderer had confirmed the acceptance of the terms and conditions of the contract.

37. Returned tenders were reviewed by an evaluation panel comprising suitably qualified officers reflecting the nature of the contract. The core panel were:
- Sports and Leisure Services Manager
 - Leisure Contract Officer
 - Leisure market specialists appointed to advise on the procurement.
38. Guest specialist evaluators were also invited to assess the method statements relevant to their area of expertise. Prior to evaluation the guest evaluators contributed to the drafting of the Services Specification and Method Statement Guidance. A number of council business units contributed to the process and they are listed below.
- Corporate Facilities Management
 - Environment and Leisure Health and Safety
 - Procurement Advice Team
 - My Southwark Team
 - Public Health Team
 - Communications Team
 - Corporate Training and Development Team
 - Customer Experience Team.
39. Service users also took part in the evaluation process. 5 representatives from 3 centres came together over two workshops chaired by the Lead Member for Public Health, Parks and Leisure and contributed to the specification, method statement requirement and tender evaluation for the 'Customer care, marketing and PR' element of the contract. The lead member did not take part in the evaluation.
40. Table 3 below sets out the combined price and quality score for the recommended tender.

Tenderer	Quality Score	Price Score	Total Score	Position
	40 %	60%	100%	
Sports and Leisure Management Ltd. (SLM)	27.2	57.3	84.5	1

41. SLM received the highest combined score, evaluated in accordance with the council's stated evaluation methodology, and as the most economically advantageous tender is recommended for award of this contract. SLM received the highest score for price, and was within 1.5% of the top scoring bidder for quality. Full details of the scores for the 3 bidders are noted in the closed report
42. The award of the contract is based on M.E.A.T. The evaluation methodology set out that the top scoring tender would be awarded a contract. It is therefore recommended that SLM be awarded the contract.
43. SLM scored 8 or above (good or excellent response) in 9 of the 13 method statement responses, and obtained a satisfactory response in the remaining 4 method statements. Particular areas of strength were programming, sports development, partnership working, staffing, service improvement and innovation.

44. The contract with the Council would be entered into by SLM Ltd, this is the holding company of the group, and would be responsible to the council for all aspects of the operation of the contract. SLM Ltd. are an experienced leisure operator managing 117 leisure and culture facilities across 35 local authority partners. Their current facilities range from community buildings to major national sporting venues and include a number of facilities that are very similar in size and nature to those within the Southwark contract.
45. The operation of the leisure centres will be subcontracted to the SLM Community Leisure Charitable Trust, an Industrial and Provident Society registered as a charity with the Charities department of HM Revenue and Customs.
46. The SLM Community Leisure Charitable Trust will be the rateable occupier of the buildings. Operationally, the SLM Community Leisure Charitable Trust will continue to be responsible for main operations of the centres.

Plans for the transition from the old to the new contract

47. The current contract has provisions to deal with exit for the incumbent provider. The council is confident that the transition will be a smooth one. The recommended contractor has considerable experience in the management of contract mobilisation processes. Throughout the process the contractor will work closely with the council to ensure the process is managed effectively and seamlessly.
48. To build on the capital investment programme already rolled out by the council the contractor is proposing to deliver the following service and centre capital improvement projects, subject to the council's approval, subject to customers consultations and taking into account any planning permission required. The improvement projects are aimed at increasing participation, customer satisfaction, value for money and income generation.
 - Commitments to explore and fund facility developments at Peckham and Camberwell to improve the activity offer.
 - New state of the art fitness equipment for the gyms at 5 centres
 - New group exercise class equipment at 4 sites (including technology for virtual spin classes)
 - Numerous customer focused new technology projects (see point 53)
 - Various environmental and energy usage improvement projects.
49. The contractor will be responsible for the repairs and maintenance of the buildings in accordance with the Asset Responsibility Matrix outlined within the contract. This document sets out the split of responsibilities between the council and the contractor.
50. For The Castle Centre (and Canada Water when it is built) the contractor will be responsible for all planned preventative maintenance and structural risk subject to appropriate warranties being provided by the building contractor.
51. New leases will be granted for each of the facilities from the Authority to enable the Contractor to carry out the services. The leases will exclude security of tenure and will expire at the same time as the Contract (after seven years or earlier if the Contract is terminated earlier). The leases can be extended if the Contract period is extended.

52. The council will remain responsible for insuring the building structures of the older sites. The contractor will be responsible for all other insurances including public and employee liability. The Castle Centre and the new leisure centre at Canada Water (when completed) will have full insuring and maintaining leases.

New technology

53. The contractor will deliver a number of customer focused technological improvements during the early part of the contract to promote regular physical activity. These include:
- A new and improved website – including the function for customers to set up their own profiles within the 'Activity Hub' enabling them to track their health improvement progress and tap into a number of useful tools such as programmes and physical activity planners. The website will be integrated with a number of fitness apps such as MapMy products and the NHS Fitness and Health app
 - Online sports booking system – See paragraph 13
 - Online gym inductions – 5 step process allowing new customers the flexibility as to when they have their induction
 - The Everyone Active App – available on Google Play, Android and IOS versions – this will allow customers to view timetables, centre information and news flashes. They will also be able to use the app to book sessions
 - My Wellness Cloud – this links the fitness equipment to the customers profile on the 'Activity Hub' helping them track their progress, join gym challenges, link to nutritional trackers and allow them to view their exercise programmes on their smart phone
 - Commitment to link the new services to MySouthwark.

Plans for monitoring and management of the contract

54. The client role of the contract including the management and administration of the contract will be managed by the sports and leisure services team who will ensure that the contractor complies with the terms and conditions of the contract, contractor method statements and all related documents including the services specification.
55. Council officers will monitor the contract by undertaking bimonthly inspection visits to sites paying particular attention to cleaning and maintenance standards and delivery of customer care against an agreed set of criteria. Regular contract meetings will take place and a series of reports will be supplied throughout the year.
56. Officers will pay particular attention to the monitoring of standards during the introduction of the general offer for the Free Swim and Gym Scheme. It is anticipated that the centres will receive more visitors therefore cleaning and maintenance schedules will have to reflect the increase in usage. Officers will monitor the centres to ensure that high standards are still achieved in accordance with the contract.
57. The services specification provides details of the council's requirements for the management of the facilities and is largely output based. So that the council can enforce the outcomes it requires from the contractor and encourage continuous

improvement throughout the life of the contract both the council and the contractor have agreed to a performance management system (PMS) which meets this objective and is efficient and practical to operate. The PMS is vastly changed from the previous contract and is much simpler to operate within.

58. Through working together with the contractor in a positive partnership, the council's intention is that the PMS will provide reasonable and prudent checks while not diverting the contractor from delivering a high quality of service. The Contractor will monitor its own performance against the performance standards that are set out in the services specification. In addition the council and customers may report any performance failure at any time to the contractor. The contract sets out timeframes in which the contractor has an opportunity to contain and rectify the performance failure.
59. Performance against the Performance Standards are reported as follows:
 - Annual performance standards are reported in the Annual Service Report
 - Quarterly performance standards are reported in the Quarterly Monitoring Report
 - Operational performance standards are reported in the Quarterly Monitoring Report.
60. Any failure to meet a performance standard incurs failure points. The total number of failure points at the end of each quarter and contract year may result in a financial adjustment in the management payment to the council.

Improved customer care

61. The contractor has committed to achieving the Customer Service Excellence Award. The assessment will involve reviewing the facilities and procedures and interviewing staff and customers about the service. The contractor will be assessed on a number of criteria in areas such as customer insight, culture of the organisation, delivery, information and access and timeliness and quality of service.
62. The Contractor will also be carrying out the following customer service research throughout the contract, they will ensure that the information ascertained from the research is analysed and the results used to inform future service delivery:
 - Customer focus groups per centre. The purpose of these meetings is to gain an understanding of Users' experiences of the centres and to help improve and develop the Services offered. The User group should be made up of fairly elected members from as many activity areas of the Facilities as possible
 - Customer exit interviews
 - Analysis of all verbal and written comments and complaints including reporting percentage of complaints responded/resolved within the agreed parameters
 - Consultation with clubs and key User groups at least every six months
 - Mystery visits and telephone calls
 - Equalities monitoring data
 - Annual User and non-User survey.

Key Performance indicators

63. As part of the PMS reporting process a number of quarterly and annual Key Performance Indicators (KPIs) will be monitored in the contract.

Selection of the annual performance indicators

- Increased levels of activity
- Increase in participation by target group members (e.g. people with disabilities, BME groups, people under 16 and over 60 and people who are less active)
- Increased levels of activity by people using the Free Swim & Gym Scheme and other public health programmes
- Number of people referred who complete the exercise referral, cardiac rehab programmes and NHS Health Checks Programmes
- Increasing workforce development opportunities through the employment of apprentices
- Reduction in annual CO2 emissions. Reduction in energy usage and increase recycling
- Health and safety compliance.

Selection of the areas covered by the quarterly performance indicators

- Cleanliness
- Customer service including complaints and customer research
- Building management including planned preventative maintenance, lifecycle maintenance, reactive maintenance and statutory compliance.
- Reporting to the council
- Marketing and publicity.

64. The contractor has the following quality accreditations which they will be expected to maintain during the life of the contract;

- QUEST accreditation for each of the sites (leisure services quality certificate)
- ISO14001 Environmental management
- OHSAS 18001 Health and safety management
- Investors in people
- Inclusive Fitness Initiative (IFI) – Leisure facility and service accessibility accreditation.

65. The contractor also has a number of internal and external quality management systems and audit processes which all feed into a continuous improvement plan.

66. The contract will be managed within the council's sport and leisure services business unit. Once the contract is operational, the client team will provide strategic and policy advice to the council in relation to matters relating to the contract.

67. Systems will be put in place to develop, monitor, manage and evaluate performance, in line with the overall purpose of being a 'best practice' client. The team will also be responsible for ensuring that statistical returns to other council departments and external bodies and partners are completed.

Table 4. Identified risks for the new contract

Risk No.	Risk identification	Risk level	Mitigating action
R1	No contract in place on 21/06/2016	Low	Project management of procurement process
R2	TUPE process complications due to scale of service	Low	Early engagement with HR, legal and current contractor
R3	Contractor experiences financial difficulties or ceases to exist	Low	All necessary finance checks have been completed and financial model benchmarked. Regular reviews of financial data submitted by the contractor throughout the life of the contract will take place.
R4	Poor transition of services from one organisation to another	Low	Detailed mobilisation plan submitted both organisations with experience of change management, effective project management with regular communication with the council.

Community impact statement

68. The intention of this contract is to deliver increased access and opportunities and long term health benefits from our leisure provision: As such there are only positive impacts on the community. The specification of the contract, the existing provision and the policies of the awardee meets the requirements of the Equalities Act and the Public Sector Equality Duty and there are no apparent detrimental impacts to protected groups or characteristics.

Sustainability considerations

69. The Public Services (Social Value) Act 2012 requires the council to consider a number of issues including how what is proposed to be procured may improve the economic, social and environmental well-being of the local area. These issues are considered in the following paragraphs which set out economic, social and environmental considerations.

Economic considerations

70. The contractor has committed to supporting the council's policy of delivering a stronger local economy by focusing their recruitment, training and development strategies within the borough. The contractor is committed to implementing local initiatives for the promotion of employment and training, offering work placements and running annual employment fairs. Advertisements for job opportunities will be promoted through numerous local outlets.

Social considerations

71. The council is an officially accredited London Living Wage (LLW) Employer and is committed to ensuring that, where appropriate, our contractors and sub-contractors pay staff at a minimum rate equivalent to the LLW rate. The Gateway 1 report confirms, for the reasons stated in that report, payment of LLW was an appropriate and best value requirement for this contract offering enhanced

quality of work from a motivated workforce and a lower staff turnover. SLM have confirmed that they meet the LLW requirements. Following award, quality improvements and costs implications linked to the payment of LLW will be monitored as part of each of the contract review processes.

72. The contractor has committed to employing, as a minimum, 5 apprentices across the contract by the end of the first contract year and a minimum of five per year thereafter. The contractor has extensive experience of running apprenticeship and NVQ schemes and currently employs 350 apprentices across their other contracts.
73. The contractor fully supports the council's approach to not utilising zero hour contracts and has a commitment to employing full and part time staff as opposed to casual staff which has been factored into their staffing structure and costs.
74. The contractor has committed to working with the Trade unions not only during the TUPE process but throughout the life of the contract.
75. The contractor has recognised the councils plan for a 'Best start in life' with the focus on Looked After Children as a key priority. The contractor will deliver the free access for looked after children as required within the contract.

Health and wellbeing

76. The contractor will deliver a comprehensive Sports and Community Development & Activity Plan which will be delivered collaboratively with the Council. The plan will be developed in synergy with the Southwark Physical Activity and Sport Strategy.
77. The council operates an 'Exercise on Referral' (EOR) service in partnership with local doctors surgeries. The EOR service provides sedentary individuals and individuals with low risk medical conditions a positive introduction to being physically active. The introductory exercise programme should enable patients to maintain a physically active lifestyle, without dependence on the exercise professional in the longer term.
78. The scheme allows GPs and Practice nurses, health check nurses and secondary care cardiac nurses to refer patients to one of three levels of support;
 - Kickstart – low level support
 - Active Boost – medium level support
 - Cardiactive – high level support.
79. The EOR scheme has historically been commissioned directly by Public Health and will now be delivered as part of this contract. The EOR is also going to continue to be part of the Free Swim and Gym offer, targeting those most in need of a healthier lifestyle.

Environmental considerations

80. The contractor will prepare for each facility an Environmental and Energy Management Plan which will include environmental targets in line with the council's own commitment and sustainability objectives in the following areas

- Reduction of carbon emissions
- Reduction of environmentally harmful chemicals
- Utility conservation
- Recycling and waste minimisation
- Promotion of sustainable forms of transport.

81. The contractor has identified a number of energy efficiency investments to be completed in year 1 of the contract. This involves financial investment in the facilities by the contractor and will contribute to a reduction in utility consumption and carbon emissions.
82. With regards to utilities the contractor will be taking the risk on both tariff and consumption.

Market considerations

83. SLM currently employs over 8,000 staff. This includes a head office support function of 78 staff, three Regional Management Teams with 36 staff and on-site operational teams. They operate across 35 local authority contracts, and 117 facilities.

Staffing implications

84. The proposed contract presents no TUPE nor pension implications for the Council as an employer. Bidders were advised to seek independent professional advice on the effect of TUPE (including any subsequent amendments to TUPE) on their Tenders and the Contract.
85. Both SLM and the incumbent provider have confirmed their view that TUPE applies and there will be transfer of relevant employees from the incumbent provider to SLM on the contract start date. TUPE will also apply to transfer relevant employees from the incumbent provider's cleaning and catering sub-contractors to SLM at the affected leisure facilities. SLM will become an admitted body of the Local Government Pension Scheme (LGPS) administered by the Council which will enable eligible transferring employees to enjoy continuity in their pension arrangements.
86. The procurement project plan allows for a period of almost 4 months between the confirmation of the contract award and service commencement date which provides sufficient time for the relevant successful and unsuccessful providers to comply with their obligations under TUPE.
87. The contractor has current Investors in People accreditation and has held this for the past 12 years.
88. The contractor will register under the London Healthy Workplace Charter.
89. There will be no impact on council staff caused as a consequence of implementing this contract. Officers are already fulfilling the monitoring roles of the current contract and this function will continue under the new contract. The Contract will be managed by the council's sports and leisure services manager.

Financial implications

90. The procurement process for this contract has resulted in a management fee being paid to the council from the second year onwards which will contribute to enabling the council to meet the government budget cuts.
91. The risk in relation to changes to the applications of NNDR relief lies with the contractor. With regards to The Castle Centre and the new site proposed at Canada Water, the contractor has based their liability on the provisional rateable value which was provided by the council. Any variance in the rateable value will be adjusted by a variation to the agreement when applicable.
92. The contractor has committed to a partnership of open book accounting whereby they will share with the council financial information relating to, for example, performance against the tender submission
93. Any contract monitoring and supervising costs will be funded from the existing Parks and Leisure division's revenue budgets.

Legal implications

94. Please see concurrent from the director of law and democracy

Consultation

95. Service users took part in the evaluation process and contributed to the specification, method statement requirement and tender evaluation for the 'Customer care, marketing and PR' element of the contract.
96. Feedback from customers and customer forums has been used to shape the specification for this contract.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Finance and Governance (FC15/051)

97. The strategic director of finance and governance notes the recommendations in this report for the award of the contract to manage the Council's leisure facilities for a period of seven years to Sports and Leisure Management Ltd. The contract impacts initially on financial years from 2016/17 2023/2. For the initial four years of this time resources to the council in the form of government grant are expected to reduce considerably.
98. The contract will result in a management fee being paid to the council from the second year onwards, and the contractor has committed to a partnership of open book accounting whereby they will share financial information with the council.
99. The financial implications note a risk in relation to changes to the applications of NNDR relief will generally lie with the contractor, and that the liability has been based on provisional rateable value for two sites, which may change. Any variance in the rateable value will be adjusted by a variation to the agreement when applicable.

Head of Procurement

100. This report makes a recommendation to Cabinet to approve the award of the contract to manage the Council's leisure facilities for a period of seven years to Sports and Leisure Management Ltd. (SLM). The contract would commence on 21 June 2016 and have an option to extend for a period, or periods, of up to a further seven years.
101. The tender process involved a restricted, two-stage procurement process, which was advertised and carried out in compliance with the Public Contract Regulations 2015.
102. The report highlights the details of the cost of the contract, asking Cabinet to note that the profile of the fee is one which results in the council being paid a fee from the second contract year onwards.
103. The proposed contract, as outlined in paragraph 17, will deliver the Council's Fairer Future promise of Free Swim and Gym for all residents within the contract sum being paid to the Council.

Head of Customer Experience

104. This report outlines the council's plans for delivering high quality leisure facilities for the people of Southwark. The council's digital strategy requires all services to be accessible digitally; so improving access to facilities 24 hours a day, at our customers' convenience. The council's personalised customer account, My Southwark, is the preferred way for many customers to manage their transactions with the council. My Southwark has over 120,000 account holders and this would be a welcome additional service accessible via the account. It is anticipated that the new leisure services provider will deliver access to leisure membership and information on-line and through the My Southwark account. We will engage with prospective service providers to ensure that access to these services is available on-line.

Director of Public Health

105. The Director of Public Health participated in the evaluation of the tenders and notes the recommendation to award the contract to manage the Council's leisure facilities to SLM. The proposal to require the contractor to develop and implement a comprehensive physical activity health and social impact plan collaboratively with the Council is noted and endorsed. Southwark's population is exceptionally diverse, with some populations having much poorer health. It is important that the excellent leisure facilities and opportunities are taken up by all, in particular those who are least likely to be active, more at risk of poor health for example people who are of very unhealthy weight, or people with existing health conditions including poorer mental health. The Director of Public Health endorses the requirement for Exercise on Referral (Kickstart, Active Boost and CardiActive) to be delivered as part of this contract. The Director of Public Health welcomes and supports the proposed performance indicators relating to increased physical activity, particularly relating to targeted groups and people referred through health programmes and welcomes the opportunity to develop further outcome indicators and targets appropriately.

Director of Law and Democracy

106. This report seeks the cabinet's approval to the award of contract to SLM for management of the council's leisure facilities. As the award of the contract is a strategic procurement, the decision to award is reserved to the cabinet.
107. The contract was procured in accordance with the Public Contract Regulations 2015 (PCR15), and whilst only subject to the 'Light Touch' requirements of those Regulations (being a Schedule 3 'social and other specific services'), was required to be advertised through the Official Journal of the European Union. As noted in paragraph 24, an advert was placed through OJEU in June 2015. The council's criteria for award was on the basis of the most economically advantageous tender, and as noted in the stated evaluation methodology. SLM are recommended for award on the basis of having submitted the most economically advantageous tender.
108. The cabinet's attention is drawn to the Public Sector Equality duty (PSED) under the Equality Act 2010, and when making decisions to have regard to the need to eliminate discrimination, harassment, victimisation or other prohibited conduct, and to advance equality of opportunity and foster good relations between persons who share a relevant protected characteristic and those who do not share it. The relevant characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. The duty also applies to marriage and civil partnership but only in relation to the elimination of discrimination. The cabinet is referred to the community impact statement at paragraph 68 setting out the consideration that has been given to equalities issues which must be considered by cabinet when agreeing this award.
109. Contract standing order 2.3 requires that no steps should be taken to award a contract unless the expenditure involved has been approved. Paragraphs 90-93 confirm the financial implications of this award.

BACKGROUND DOCUMENTS

Background documents	Held At	Contact
Gateway 1 - Procurement Strategy Approval Management of the Council's leisure facilities (Item 17)	Environment and Leisure 160 Tooley St. London SE1	Tara Quinn 0207 525 50875
Link: http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=4868&Ver=4		

APPENDICES

No	Title
None	

AUDIT TRAIL

Cabinet Member	Councillor Barrie Hargrove, Public Health, Parks and Leisure		
Lead Officer	Deborah Collins, Strategic Director, Environment and Leisure		
Report Author	Tara Quinn, Sports and Leisure Services Manager		
Version	Final		
Dated	29 January 2016		
Key Decision?	Yes		
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER			
Officer Title		Comments sought	Comments included
Strategic Director of Finance and Governance		Yes	Yes
Head of Procurement		Yes	Yes
Head of Customer Experience		Yes	Yes
Director of Public Health		Yes	Yes
Director of Law and Democracy		Yes	Yes
Contract Review Boards			
Departmental Contract Review Board		Yes	Yes
Corporate Contract Review Board		Yes	Yes
Cabinet Member		Yes	Yes
Date final report sent to Constitutional Team			29 January 2016

Item No. 18.	Classification: Open	Date: 9 February 2016	Meeting Name: Cabinet
Report title:		Free Swim and Gym Update	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Barrie Hargrove, Public Health, Parks and Leisure	

FOREWORD - COUNCILLOR BARRIE HARGROVE, CABINET MEMBER FOR PUBLIC HEALTH, PARKS AND LEISURE

In 1927 the finest baths in Britain were opened. A 'First Class' swimming pool, 100 feet long and 39 feet wide, was built and a Second Class swimming pool primarily for teaching children to swim. [Brian Beecroft]. Built in this part of London under the guidance of Bermondsey MP Alfred Salter, he was later heard to remark by responding to complaints by his detractors about the cost of this initiative that he only wished he could make the use of the swimming and bathing facilities free for residents.

So I cannot overstate the degree of pride I feel on helping to lead on this initiative being delivered by Southwark Council to provide free access to swimming and gym facilities in our borough. This report marks a milestone. It is an update on progress to-date, what we've learnt from our Free Swim and Gym Pilot, what the users, 18s and under, 60s and over, experience has been. It is also a statement setting out that we are ready to implement the next phase of the project, expanding the free access to all our residents and employees.

The preceding report on this agenda recommends the award of our Leisure Management contract to commence on 21 June 2016. The cost to the Council of this stage of the initiative has been fully priced up and is covered within this contract. We have an outstanding portfolio of leisure facilities and we are now ready to open these up further to our residents, especially those who may have found cost a barrier to participation.

Addressing health inequalities is something that this council is very keen to do. Key work-streams within the pilot project were to use robust communications, especially through a range of social media, and to gather data about usage. The data in the report, fully demonstrates that we have been successful in attracting greater usage from BME and female users. Furthermore, the scheme has been well-used by the teenage market, which is also very encouraging as this turns on its head evidence that I have picked up regarding the experience of other London local authorities. At least two of whom have publicly stated that their free swimming scheme has been unsuccessful in sufficiently appealing to the teenage cohort.

It has also been very helpful to conduct a pilot in advance of the general offer. We have managed to get on top of some unanticipated IT teething problems and been able to respond to under-capacity due to the scheme's popularity in some areas. In terms of data provision, I am anticipating a much quicker, fuller and flexible turn around of data in July when the general scheme rolls out with the new provider. But above all, it has been very pleasing how few complaints there have been with regarding to the administration and the working of the pilot scheme.

Thanks to all our work so far, I am confident we are in a very strong position to make this initiative an outstanding success, which we can build on going forward.

RECOMMENDATIONS

1. That cabinet notes the findings of the pilot scheme for young people and over 60s and the plan to continue the pilot schemes until July 2016.
2. That cabinet approve proposals for implementation of the general free swim and gym offer from July 2016.
 - **Free access to gym and swimming for all residents** – all day Friday; afternoons on Saturday and Sunday until close
 - **A selection of targeted offers:**
 - Free access to all centres for disabled people; all of the time.
 - Free swim and gym throughout the week for health referrals to key healthy lifestyle schemes.
3. Building on the council's *Workforce Strategy* the *Employee Health and Wellbeing Strategy* was adopted in 2014 and the council signed the *Healthy Workplace Charter* in 2015. To reflect this commitment the recommendation is that the cabinet approve the additional proposal of:
 - **Free access to gym and swimming for Southwark Council staff** – all day Friday; afternoons on Saturday and Sunday until close.

BACKGROUND INFORMATION

4. The council recognises the importance of improving access to physical activity opportunities as part of the fairer future promises (promise number 2).

'We will make it easier to be healthier with free swimming and gyms for all residents and doubling the number of NHS health checks.'
5. In January 2015 the cabinet agreed the proposals for the pilot offer for free swim and gym instructing officers to further develop the offer and to report back in December 2015.
6. The Free Swim and Gym (FSG) offer has been included in the specification for the new Leisure Management Contract which will commence in June 2016. As the two projects are interlinked this report is presented in February 2016 alongside the outcome of the Leisure Management Contract (LMC).
7. The purpose of this report is to provide an update on progress with the pilot offer and set out proposals for the scheme beyond February 2016.

KEY ISSUES FOR CONSIDERATION

Pilot offer launch

8. The application process for the Southwark Free Swim and Gym scheme was launched on Saturday 21 March 2015 to Southwark residents aged 18 and under or over 60. This was to manage the demand for the scheme and to learn lessons

from a phased implementation.

9. Those eligible for the scheme could register in three ways:
 - Online through a special webpage hosted by Fusion Lifestyle
 - By downloading an application form from the Fusion Lifestyle website, printing and taking into any Southwark Leisure Centre
 - Filling in a paper application form at any Southwark Leisure Centre.
10. Residents without personal internet access or who required support with completing an application for a variety of reasons could visit any Southwark library, all of which offer free internet access.
11. As part of the registration residents were surveyed on their current activity levels including when they had last used a Southwark Leisure Centre, perceived barriers to doing more physical activity, reasons for joining the scheme, how they heard about the scheme, and for adults only - a question on smoking cessation.
12. This data is being used to interpret the success of the project at initiation and to provide a benchmark for when the survey was re-conducted in December 2015.
13. A series of marketing materials were created both in print format and through online methods including Facebook, e-newsletter and on the council and Fusion Lifestyle websites.
14. The marketing material took inspiration from national partners such as StreetGames and Sport England and through emulating the successful “This Girl Can” television campaign and the use of appropriate imagery such as local people exercising at Southwark Leisure Centres.
15. Posters and fliers promoting the over 60s element of the scheme were distributed to 31 public buildings and organisations in Southwark including libraries, leisure centres, day centres, One-Stop shops and community care organisations.
16. The scheme was launched on Saturday 23 May meaning residents could use the facilities at the following times:
 - **18s and under free swim** - all day Friday; afternoons from 2pm and 6pm on Saturday and Sunday
 - **16 to 18 years free gym** - all day Friday; afternoons from 2pm until 6pm on Saturday and Sunday
 - **14 to 16 years free youth gym sessions** – at selected times on Friday evenings Saturday and Sunday afternoons
 - **Free ‘Silver Sessions’** – access to over 60s sessions all week.
17. The targeted approach of the scheme towards specific age groups was aimed at reaching those most in need within the appropriate time slots and days of the week that had the capacity to absorb additional participation.
18. A second phase marketing campaign was launched which consisted of the following platforms:
 - Adverts in Southwark News
 - Reprint of leaflets for distribution in GP surgeries and further community venues
 - Roller banners in leisure centres and libraries

- Production and printing of posters featuring younger people for distribution in youth clubs, secondary schools, children's centres, primary schools and nurseries
 - Back page advert in Southwark Life
 - Continued push on council website and social media.
19. The Southwark Council webpage for the FSG campaign from March to October received 8,565 unique visitors. It is one the top 5 pages outside of those that people are using to either make transactions or look for information on major services.
20. Following the launch of the scheme there was a consistent increase in registrations for the proceeding four weeks, from 182 registrations a week in the registration-only phase to about 270 a week post launch. This uplift is displayed in the graph in Appendix 1. The purpose of early registration was to help deliver a smooth start to the scheme.
21. The breakdown of the registrations on gender are:

<i>Registrations</i>	18s and under	Over 60	Total	FSG Scheme	Southwark
Female	2,938	1,020	3,958	53.3%	50.4%
Male	2,794	668	3,462	46.7%	49.6%

22. The breakdown of the registrations on BME are:

<i>Registrations</i>	18s and under FSG	18s and under Southwark	Over 60 FSG	Over 60 Southwark
White	27%	36%	59%	73%
BME	73%	64%	41%	27%

23. Total attendances in the scheme from pilot launch in May to November were 14,191 this includes 5,113 for 18s and under and 9,078 for over 60s.
24. Of those registered 39% have attended at least one session, with the average attendance being just under 5 visits (Appendix 2).
25. For 18s and under since the scheme was launched 34% of registered residents have attended at least once, with the average attendance of 2.6 visits. The 14–18 year old age group having the highest attendance within this group with 44% from 1,372 registrations.
26. For the over 60s since the scheme was launched 56% of the 1,409 registered residents have attended at least once, with the average attendance at 9.9 visits.
27. The breakdown of the attendances on gender are:

<i>Attendance</i>	18s and under	Over 60	FSG Scheme	Southwark
Female	35%	74%	61%	50.4%
Male	65%	26%	39%	49.6%

28. The breakdown of attendances on BME are:

<i>Attendances</i>	18s and under FSG	18s and under Southwark	Over 60 FSG	Over 60 Southwark
White	25%	36%	33%	73%
BME	75%	64%	67%	27%

Lessons learnt from the pilot scheme

29. Marketing and communication:

- Using local people in our centres on our marketing material was received positively and should be continued throughout the scheme at all phases
- Using a range of marketing platforms meant that the scheme reached a wide audience. Word-of-mouth was stated at the most effective mechanism so this will be developed in the next phases
- Targeting teens is more effective using a range of wider social media networks and platform, (e.g. Snapchat)
- Teens were far less responsive on Facebook than other social media platforms
- Teens responded well to digital display, with a Click-through-rate (CTR) of 0.14% (vs national averages of 0.09%), as did parents (0.16%)
- Digital display and social media were significant registration drivers:
 - Social media generated 1,255 total clicks
 - Parents had highest CTR
 - Over 60s had a small but responsive Facebook audience.

30. Activity survey:

- In Southwark female participation in physical activity and sport is nearly half that of males (26%/46%). The FSG scheme is therefore showing a stronger registration ratio by women and girls compared with males (53.3%/47.7% for registrations and 61%/39% for attendances).
- Over 20% of parents of 5-15 year olds reported that their child does not meet the Department of Health's recommendation on physical activity (at least one hour a day). From the same cohort over 38% said that they thought their child wasn't active enough. This feedback indicates that the scheme is appropriately positioned to meet these additional requirements. It will further address this by ensuring that the offer presents tailored age-specific activities and information.
- The detailed survey of registered participants has shown that common barriers to sport are:
 - Cost (which the scheme addresses)
 - Not knowing what is available (leading to further marketing about available activities being developed)
 - Feeling self conscious/ not sporty (indicating our chosen look and feel should be continued).
- Whilst cost was the main barrier to residents being more physically active, lack of information and time were also factors stated. The scheme will expand information sharing capability to disabled people by running information sessions at The Castle Centre and a range of accessible marketing materials to cover the wide spectrum of disabilities.

- The survey also showed the most effective communication channels were:
 - Southwark Life
 - Council website
 - Word-of-mouth.
31. The six month follow-up survey (December 2015 – January 2016):
- From 264 responses 91% had either increased or maintained their physical activity levels since joining the scheme.
 - The most frequent response to the barriers faced in being more active was lack of time, with 60% of all responses stating this reason.
 - The most recurrent suggestion provided for improvements to the scheme were concerned with extending the offer beyond only 18s and under and over 60s, and increasing the hours of the scheme.
 - The aforementioned responses and suggestions will be addressed in the new Leisure Management Contract by the general offer scheme being extended to all Southwark residents, the expansion of leisure centre opening times on Sunday evenings and free access to swim and gym at all leisure centres for disabled Southwark residents all week.
32. Registration and attendance data:
- Interest in the scheme is high - the ratio of conversion from registering to attendance is different for different age groups. The scheme will communicate directly with the different groups to encourage attendance and attainment to the scheme.
 - Registrations by BME communities are more than representative of the Southwark population demographic.
 - Positive uptake by target sub-groups such as women and girls and BME communities was gained through specific research and expert consultation - this methodology will be continued through the remaining pilot phases and into the general offer.
 - The scheme has been attractive to the teenage market with positive registration and attendance data, an extremely hard to engage cohort in physical activity and sport development
 - Older adults (60+) have positively adopted and engaged in the scheme with a high attendance to registration ratio.
33. Scheme delivery:
- Several of the Silver Classes at Dulwich Leisure Centre were meeting and exceeding capacity - two additional weekly sessions were added to the programme to alleviate the high demand.
 - Minor issues with the online registration process were identified early during the pilot registration period of the FSG scheme and subsequently resolved with no adverse effects.

Consultation

34. Officers held a Free Swim and Gym Youth and Young People Insight session on 13 October 2015 with colleagues London Sport and StreetGames to test and check the marketing and communications and the attendance and registration data to date. The results were:
- The marketing was positively viewed and showed a solid understanding of the local target audience.

- Registration and attendance numbers for children and young people were considered positive when compared against similar national programmes.
- A number of additional scheme enhancements were put forward and agreed in terms of a reward and incentive scheme for 0-7 year olds, targeted marketing and promotional activities including localised campaigns reflective of the demographic footprint of individual leisure centres and a consultation with the Amateur Swimming Association on their behaviour change research and consumer segmentation guidance.

35. The PRO-ACTIVE Southwark Disability Working group have been actively engaged in the development the disability pilot offer at The Castle Centre through consultation at their quarterly meetings and direct dialog with nominated representatives. Valuable, expert feedback was provided on the evidential documentation of disability needed and available for presentation to prove eligibility for the scheme, the specific methods and considerations for the marketing and communications channels and advice on overcoming the complexities of the terminology used within different disabled communities.

MySouthwark

36. The Free Swim and Gym project management team have been liaising with the My Southwark team to link the MySouthwark resource to the Fusion Lifestyle registration process. This allows the free swim and gym scheme to be incorporated within the *One Touch Online* scheme, launching in 2016 (One Touch Online is an updated registration process, aimed at new residents, and promoting multiple services often associated with moving to a new home).
37. The scheme is proposed to be used as part of the early implementation of the new corporate bulk email product called GovDelivery in early 2016. This will provide the opportunity to promote the free swim and gym scheme directly to 117,000 MySouthwark account holders.

Targeted offers January 2016 onwards

38. As detailed in the Cabinet Report in January 2015 the pilot scheme would be extended to include.
- Free access to The Castle for disabled people (on opening)
 - Free gym and swim for referrals to key healthy lifestyle schemes (April 2016).
39. The phased launch of the pilot scheme offers was to manage the demand for the scheme and to learn lessons from a segmented implementation.

Free access to The Castle Centre for disabled people (on opening)

40. Eligible residents will be able to access the public swimming sessions and gym all day Friday and on afternoons from 2pm until close on Saturday and Sunday.
41. Free access for disabled people was included in the second phase of the pilot as The Castle Centre offered the greatest opportunity to disabled people in terms of ease of transportation and range accessible facilities and equipment.
42. In consultation with the PRO-ACTIVE Southwark Disability Working Group a number of key objectives for this element of the scheme have been created to minimise barriers to entry for disabled people, these are:

- To provide clear and widely accepted guidance on eligibility through a broad range of eligibility proof which is available to a wide range of disabled people and is easily understood by centre staff checking the evidence.
- Create a clear and adapted marketing campaign.

43. The marketing materials for the disability element feature images of disabled residents exercising in Southwark Leisure Centres.
44. Lessons learnt from the implementation of the scheme at The Castle Centre would be used for the roll out of the scheme over the remaining leisure centre portfolio as part of the general offer in July 2016.

Free gym and swim for referrals to key healthy lifestyle schemes

45. Several exercise programmes have been shown to be effective in supporting inactive people with health risks or poorer health (e.g. very overweight or existing health conditions) to be active. Three of these are currently delivered by the council:
 - Exercise on Referral and Cardiac Rehabilitation Scheme including Kickstart (12 weeks)
 - NHS Health Checks Programme (12 weeks)
 - Healthy Weight Programme (9 weeks).
46. These health programmes will be delivered as part of the scheme from April 2016 leading up to the introduction of the general offer in July 2016 allowing them to dovetail seamlessly into the roll out of the general offer.
47. The Healthy Weight Programme is for 8 – 12 year olds who would be eligible for Free Swim and Gym under the existing 18s and under criteria.

Free swim and gym scheme in the new Leisure Management Contract

48. The current agreement with Fusion Lifestyle, the council's current leisure provider, is due to expire on 20 June 2016. The general scheme has been included in the specification for the new contract which will commence on 21 June 2016.
49. It has been specified in the new Leisure Management Contract that the contractor will operate the Free Swim and Gym Scheme for all residents of the borough at the following times in accordance with the terms and conditions of the Services Specification:
 - Free access to gym and swimming for all Southwark residents and Southwark Council staff – all day Friday and afternoons from 2.00 p.m. every Saturday and Sunday until the Facilities close.
 - Free Silver Sessions – access to the 60+ sessions for Southwark residents at all times
 - Free access to swim and gym at all Facilities for disabled Southwark residents all week.
 - Free Swim and Gym throughout the week for those Southwark residents on the GP physical activity referral scheme including Kickstart and the NHS Health Checks Programme
 - Free swimming sessions for the Health Weight Programme.

50. The new contract also has a mechanism by which an extension to the scheme could be calculated. Any expansion on the existing wider offer would result in additional costs to the council. The contract includes change control mechanisms to expand the scheme at a future date should the council wish to.
51. Subject to approval by the cabinet the new leisure management contract will mobilise from March 2016 onwards and begin in June 2016.
52. The general offer will be introduced in the latter part of July 2016. This will allow the leisure contractor sufficient time to mobilise the general offer after the start of the new contract. This will also correspond with the commencement of the summer school holidays thus allowing sufficient opportunity for promotional marketing and communication.
53. The delivery of the general scheme is included within the contract sum being paid to the council under the new contract.

Financial implications

54. A revenue budget of £200k was allocated to cover costs of Free Swim and Gym in 2015/16. Spend to date is £8k and predicted forecast is £100k.
55. There is a revenue budget of £819k available in 2016/17 to cover the costs of the existing leisure contract management fee and the cost of Free Swim and Gym until 20 June 2016. After that date, the cost of the new Leisure Management Contract including the cost of Free Swim and Gym will also be met by this budget.
56. The Free Swim and Gym activities have been piloted with targeted groups since May 2015, with an all residents general offer being introduced from July 2016, with the start of new Leisure Management Contract. The costs of the new contract including the effect of the Free Swim and Gym offer are going to be covered in the Leisure Management Contract GW2 report.

Community impact statement

57. The provision set out in this report shows increasing levels of access and opportunities and long term health benefits from our leisure provision. As such there are only positive impacts on the community, and the levels of participation are in line with expectations.
58. The consultation was extensive and the offer tailored as a result of the feedback, with specific and under represented groups being targeted.
59. As set out in this report, the service meets the requirements of the Equalities Act and the Public Sector Equality Duty and there are no apparent detrimental impacts to any protected groups or characteristics.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Head of Customer Experience

60. This report provides cabinet an update on the free swim and gym initiative which seeks to improve the health of all residents of the borough. It is proposed that access to free swim and gym membership will be promoted through the council's personalised customer account, known as My Southwark. My Southwark has over 120,000 account holders and this is a welcome additional service accessible via the account. It is hoped that this will assist with take up of the scheme and ease of application for residents.

Director of Law and Democracy

61. Advice has previously been given on the report to cabinet in January 2015, which approved the implementation of the pilot offer and outline proposals for the general free swim and gym from July 2016. This report notes the findings of the pilot scheme, and requests approval to the implementation of the general offer including that for council staff.
62. Pursuant to Part B of the council Constitution, the cabinet is responsible for formulating the council's overall policy objectives and priorities. Accordingly the recommendation to implement the general free swim and gym offer and the additional proposal for council staff is reserved to cabinet.
63. Officers were recommended (in the January 2015 report) to ensure that consultation on the scheme was updated on a regular basis for the purpose of monitoring the effectiveness of the pilot scheme and to assist future decision making in this area. Paragraphs 34 and 35 confirm the additional consultation undertaken which should be considered by cabinet when approving these recommendations.
64. The cabinet's attention is drawn to the Public Sector Equality duty (PSED) under the Equality Act 2010, and when making decisions to have regard to the need to eliminate discrimination, harassment, victimisation or other prohibited conduct, and to advance equality of opportunity and foster good relations between persons who share a relevant protected characteristic and those who do not share it. Details of the equality analysis previously undertaken were noted in the January 2015 report, and the cabinet is now referred to the community impact statement at paragraphs 57-59 setting out the consideration that has been given to equalities issues which should be considered when approving these recommendations.

Strategic Director of Finance and Governance

65. The Strategic Director of Finance and Governance notes the recommendations in this report, including the extension of the scheme to all residents and staff, along with a selection of targeted offers.
66. The financial implications note that there is a revenue budget of £819k in 2016/17 to cover the costs of the leisure management contract.

Director of Public Health

67. The Director of Public Health welcomes the findings from the pilot offer for young people and over 60s and the positive uptake by young people, women and BME communities. Further work is encouraged to better understand people who were previously inactive or less active and to work towards supporting them to remain and sustain their physical activity levels as recommended by the Department of Health.
68. The Director of Public Health welcomes the offer for council staff. Staff who are inactive or less active will be less likely to take up the offer and the Director of Public Health proposes that as part of this offer some targeted marketing and support as part of the Healthy Workplace initiative takes place.
69. The Director of Public Health welcomes the offer for adults and the targeted offer for people with disabilities and for key health referrals. Research and evidence suggest that people who are less likely to be active include people with poorer health, for example who are overweight or with long term chronic health conditions. Although they will benefit most from physical activity, they will also require targeted support or brief interventions by health professionals. The package offered for example by Health Checks and Exercise on Referral will provide this additional support.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

APPENDICES

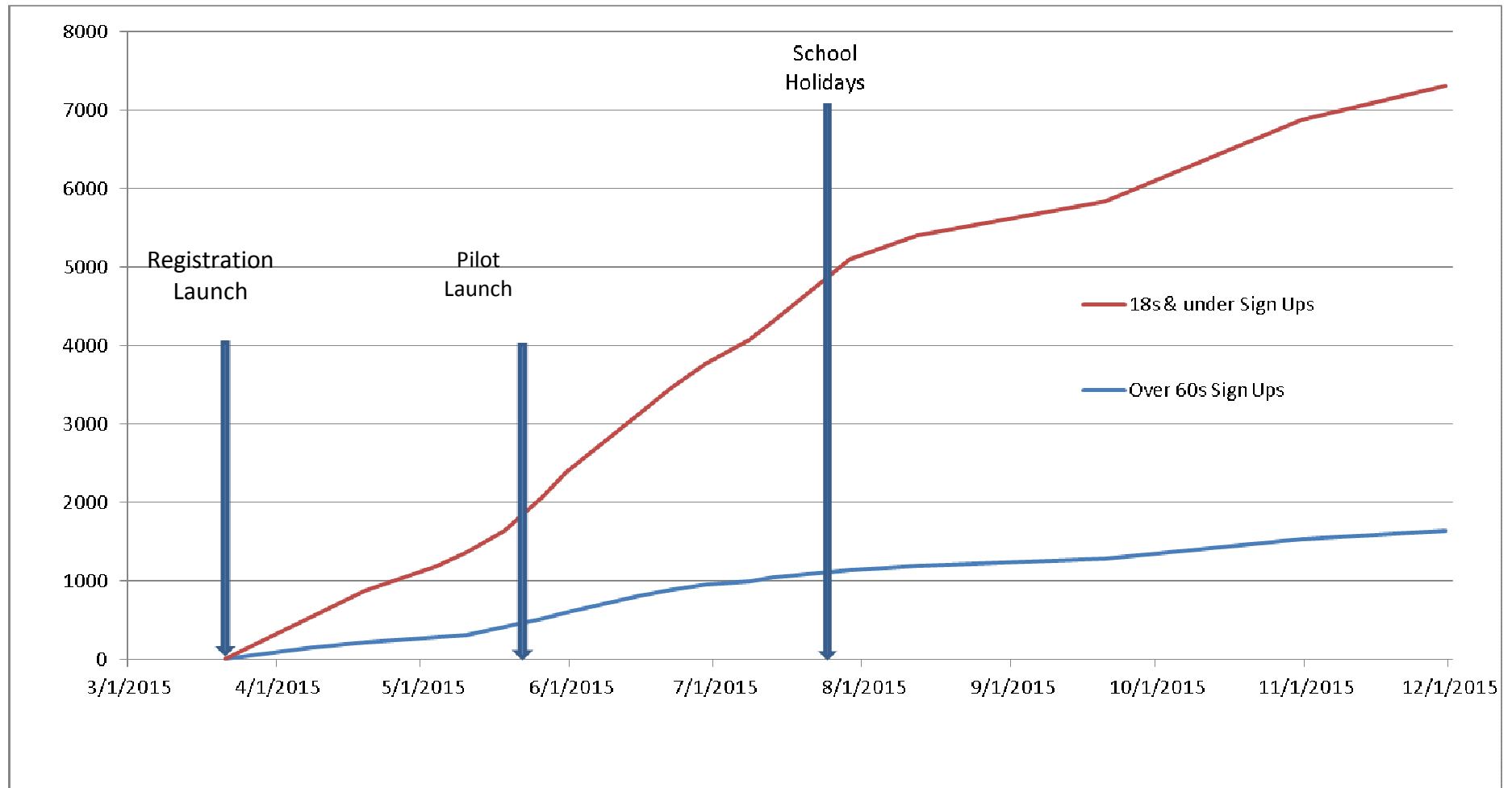
No.	Title
Appendix 1	Free Swim & Gym Registrations 21 March – 30 November 2015
Appendix 2	Free Swim and Gym – Registration to attendance ratio analysis

AUDIT TRAIL

Cabinet Member	Councillor Barrie Hargove, Public Health, Parks and Leisure		
Lead Officer	Deborah Collins, Strategic Director Environment and Leisure		
Report Author	Rebecca Towers, Head of Parks and Leisure		
Version	Final		
Dated	28 February 2016		
Key Decision?	No		
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER			
Officer Title	Comments Sought	Comments Included	
Director of Law and Democracy	Yes	Yes	
Strategic Director of Finance and Governance	Yes	Yes	
Head of Customer Experience	Yes	Yes	
Director of Public Health	Yes	Yes	
Cabinet Member	Yes	Yes	
Date final report sent to Constitutional Team		28 January 2016	

APPENDIX 1

Free Swim & Gym Registrations 21 March – 30 November 2015



APPENDIX 2

Free Swim and Gym – Registration to attendance ratio analysis

Free Swim & Gym Registration to Attendance Analysis - October						
	No. Of Registrations	No. of Registrations who have attended	% who have attended Scheme	Attendances	Average attendees attendances	Median Average of Attendees attendances
18s and Under	5094	1726	33.88%	4527	2.6	2
60+	1409	790	56.07%	7850	9.9	5
Total	6503	2516	38.69%	12377	4.9	3

Free Swim & Gym 18s and Under Review - October					
Age Range	Total No. Of Registrations	No. regsistered who have attended	No. regsistered who have not	% attended	% not attended
0-7 Years Old	1126	204	922	18%	82%
8- 13 Years Old	1376	442	934	32%	68%
14-15 Years Old	1039	447	592	43%	57%
16-18 Years Old	1333	593	740	44%	56%
TOTAL	4874	1686	3188	35%	65%

Item No. 19.	Classification: Open	Date: 9 February 2016	Meeting Name: Cabinet
Report title:		Gateway 2 – Procurement Strategy Approval - Commercial Fleet	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Darren Merrill, Environment and the Public Realm	

FOREWORD – COUNCILLOR DARREN MERRILL, CABINET MEMBER FOR ENVIRONMENT AND THE PUBLIC REALM

Following on from the agreed Gateway 1 this report sets out the framework agreements that are recommended to cabinet.

This report recommends that the Halton Housing Trust framework is used for light commercial vehicles and Bath & North East Somerset Council framework is used for heavy commercial and specialist vehicles.

By using these frameworks the council is not required to conduct a full procurement process each time it is looking to update parts of its fleet, which would take longer and be more resource-intensive. The frameworks recommended have a number of suppliers and a mini competition will be conducted each time that vehicles are required by the council. This will ensure that value for money is achieved.

The fleet framework agreements are renewed on a 3 or 4 year cycle. This provides the council with access to the most up to date, efficient and sustainable vehicles. Giving the council the ability to procure a fleet that complies with the requirements of the Ultra Low Emission Zone and to react to changing technology quickly.

RECOMMENDATIONS

1. That the cabinet approves the use of the Halton Housing Trust framework, including any new framework that directly replaces this, to procure light commercial vehicles up to a total value of £5.96m for a period of six years commencing 1 March 2016.
2. That the cabinet approves the use of the Bath & North East Somerset Council framework, including any new framework that directly replaces this, to procure heavy commercial and specialist vehicles up to a value of £3.42m for a period of six years commencing 1 March 2016.
3. That cabinet note that total expenditure across the two frameworks will be up to £9.38m over six years, this sum is slightly above the total expenditure of £9.2m that was approved at Gateway 1.
4. That the cabinet notes that contract awards from the relevant frameworks will be made in line with contract standing orders.

5. That the cabinet notes the use of relevant frameworks requires the council to register to do so.
6. That the cabinet notes that all commercial vehicles procured under the relevant frameworks will be compliant with the requirements of the Ultra Low Emission Zone which will be implemented in the congestion zone area from September 2020.
7. That the cabinet notes that where the nature of the service allows, the use of electric or hybrid vehicles will be required.

BACKGROUND INFORMATION

8. The Gateway 1 Procurement Strategy Approval - Commercial Fleet report to cabinet in October 2015 recommended the provision of commercial fleet under lease arrangements up to a value of £9.2m over a period of six years through the use of fleet framework agreements.
9. There are currently six fleet framework agreements available for the council to use for procurement of commercial fleet and these have all been procured under the requirements of OJEU. Each framework agreement has a set of terms and conditions, call-off arrangements, monitoring, management and key performance indicators. Many of these are common to all or several of the framework agreements, others are unique to individual framework agreements. It is essential that the terms and conditions of any contracts entered into under the framework agreements are consistent with the council's Contract Standing Orders and meet the needs and risk levels of the council.
10. The framework agreements have no extension provision. The currently available framework agreements operate over a period of 3 or 4 years. All framework hosts have confirmed that it is their intention to procure new agreements to replace those that expire during the six years that the council will be using them. Note that lease contracts for individual vehicles procured using framework agreements can be extended for periods beyond the expiry date of the lease contract. Any such arrangements would be managed by the Fleet Services Team on a case by case basis according to the requirements of the end user business unit.

Procurement project plan (Key Decision)

Activity	Completed by / Complete by:
Approval of Gateway 1: Procurement Strategy Report	20/10/2015
Council evaluation of framework agreements	18/12/2015
Council evaluation of purchasing solution	18/12/2015
Review Gateway 2: Contract Award Report DCRB CCRB	14/12/2015 13/01/2016
Notification of forthcoming decision – despatch of Cabinet agenda papers	28/01/2016
Approval of Gateway 2: Procurement Strategy Report	09/02/2016

Activity	Completed by / Complete by:
End of Scrutiny Call-in period and notification of implementation of Gateway 2 decision	17/02/2016
Add to Contract Register	23/02/2016
Start date of council use of fleet frameworks	01/03/2016
Contract completion date	A series of contracts will be completed during the period 01/03/2016 to 29/02/2022 following mini-tenders within framework agreements

KEY ISSUES FOR CONSIDERATION

Description of procurement outcomes

11. There are six fleet framework agreements available for the council to use to procure commercial fleet through lease contract arrangements. Each of these frameworks has been set up to facilitate procurement of a specific range of vehicle types. Each type of vehicle the council requires can potentially be procured through three or four of the six frameworks, but no individual framework is capable of being used to procure all of the different types of vehicles the council requires. Therefore, it will be necessary to use more than one framework.
12. The range of different vehicle types required by the council can be categorised into two main groups that broadly align with the range of vehicles available through the frameworks and/or the lots within the frameworks. The two main groups of commercial fleet, including vehicle type, number currently in use and annual costs are shown in Table 1 below.

Table 1 – Commercial Fleet Vehicle Groups

Group	Vehicle types	Number in use	Annual cost £000	Group totals
Light commercial vehicles (up to 7.5 tonnes)	Cars	20	£ 72.5	267 vehicles £993,900 per annum
	Small vans	115	£ 327.9	
	Medium vans	38	£ 158.0	
	Large vans	39	£ 125.9	
	3.5 tonne tipper	55	£ 309.6	
Heavy commercial (7.5 tonnes and over) and specialist vehicles	7.5 tonne tipper	4	£ 48.6	34 vehicles £570,900 per annum
	Small mechanical broom	4	£ 110.2	
	Large mechanical broom	2	£ 53.0	
	Minibus	3	£ 24.7	
	Ambulance	11	£ 175.2	
	Simon platform	6	£ 62.9	
	Refuse collection vehicle	2	£ 75.4	
	Skip loader	1	£ 16.4	
	17.5 tonne lorry	1	£ 4.5	

13. The best procurement outcomes will be achieved by using one framework to procure commercial fleet for each of the two main groups shown above. Table 2 below shows the framework agreements that can be used to procure the vehicles in these groups.

Table 2 – Fleet Framework Agreements Available to Procure Light Commercial/ Heavy Commercial and Specialist Fleet

Framework Agreement	Light commercial	Heavy commercial and specialist
Bath and North East Somerset Council (B&NES)	✗	✓
Crown Commercial Service Agreement RM3710 (CCS)	✓	✓ (except Simon platform & mechanical brooms)
Eastern Shires Purchasing Organisation Agreement 218 (ESPO)	✓ (except cars)	✓
Halton Housing Trust (HHT)	✓	✗
Yorkshire Purchasing Organisation Agreement 367 (YPO 367)	✓ (also minibuses)	✗ (except minibuses)
Yorkshire Purchasing Organisation Agreement 372 (YPO 372)	✗	✓ (except ambulances)

14. The Crown Commercial Services, Eastern Shires Purchasing Organisation and Yorkshire Purchasing Organisation frameworks are managed in-house by those organisations. The Bath & North East Somerset Council and Halton Housing Trust frameworks are managed on behalf of those organisations by Capita Asset Services as part of The Procurement Partnership Ltd.
15. These framework agreements are renewed on a three or four year cycle. Feedback from framework users and suppliers is used to develop and improve the way that framework agreements operate. This process ensures that framework agreements are fit for purpose and work effectively. The cycle of renewal also provides for the benefits of development in vehicle technology and efficiency to be captured within new and replacement framework agreements. This ensures that the council has access to the most up to date alternative fuel vehicles to increase the sustainability of the fleet and reduce emissions.

Description of framework evaluation - light commercial vehicles

16. The evaluation examined a range of factors relating to the four frameworks that could potentially be used for procurement of light commercial vehicles. These were as follows:
- the tender process used by the organisation offering a framework agreement and the evaluation criteria used for selecting suppliers
 - the standard framework terms and conditions and lease contract arrangements
 - ability for the council to use its own standard evaluation methodology at mini-tender stage

- additional charge arrangements
- Other framework details.

Table 3 below provides an overview of how the four frameworks compare.

Table 3 – Overview of frameworks for light commercial vehicles

	CCS	ESPO	HHT	YPO 367
OJEU compliant procurement procedure	✓	✓	✓	✓
Ability to adjust standard framework T&Cs	✓	✓	✓	✓
Lease contract	Single framework master lease	Individual supplier leases	Individual supplier leases	Individual supplier leases
Ability to use council's standard evaluation methodology for mini-tenders	✓	✓	✓	✓
Early termination cost	Fixed	Variable	Fixed	Variable
Return condition charges	Variable	Variable	Variable, waiver on first £250	Variable

17. All of the frameworks were procured using procedures compliant with OJEU requirements. The tender processes used, the evaluation methodologies and outcomes have been reviewed. This review has determined that a robust tender and evaluation process was followed. OJEU details for each framework are shown in Appendix A.
18. Each framework agreement has a set of terms & conditions that is primarily used to manage the relationship between the framework host and the selected suppliers. The terms and conditions of the ESPO and HHT frameworks also include reference to some specific aspects of the day to day operation of vehicles, whereas the CCS and YPO 367 framework terms and conditions do not include these aspects – rather they are embedded in the supplier lease contracts instead.
19. Public bodies using framework agreements to procure fleet must enter into lease contracts directly with suppliers. For the ESPO, HHT and YPO 367 frameworks lease contracts are provided by the suppliers. For the CCS framework there is a single master lease contract for all suppliers which is a potential advantage as it would make lease contract management simpler. In all cases the lease contract contains the main aspects of the relationship between the hirer and the supplier including charges and vehicle supply and maintenance arrangements.
20. The framework agreement terms & conditions and lease contracts have been examined and some of the clauses do not align completely with the council's standard contract terms and conditions. Therefore, it may be necessary to make amendments or additions to framework terms & conditions and/or supplier lease contracts so that they do meet the council's requirements. All framework hosts have advised that, within reason, amendments or additions can be made to

framework terms and conditions, and also that amendments to lease contracts would need to be agreed directly between the council and the supplier.

21. As part of the OJEU tender processes framework hosts evaluated the bids received using cost and quality criteria. The weighting attached to these criteria varied between the frameworks. Mini-tenders under the frameworks are required to use the same evaluation criteria as the original OJEU tender process, but the weightings can be adjusted. This means that the council would be able to apply the standard contract evaluation criteria and weighting taking into account cost and quality based on a ratio of 70:30 for any of the four frameworks.
22. From time to time the council may need to terminate a lease contract prior to the original lease contract end date and in such cases there is a potential cost for doing so. The CCS and HHT frameworks both include fixed early termination matrices based on the principle that the earlier a vehicle is returned the higher the return cost – the CCS matrix is slightly better than the HHT matrix. This provides framework users with a level of cost certainty which can be evaluated at mini-tender. The ESPO and YPO 367 frameworks do not contain fixed early termination costs. Instead a cost calculation would be made by the supplier at the point of early termination and this would be passed to the framework user, so this is a potential risk area for the ESPO and YPO 367 frameworks. The council has only undertaken one early termination over the last three years, so the risk is low, but this could become more of a factor if budgetary pressures result in more frequent down-sizing of fleet in future.
23. Vehicle return condition charges are an area of risk for lease contracts. It is impossible to know at the start of a lease contract what the condition of the vehicle will be when the contract expires and it is returned – and therefore what the vehicle return condition charge will be. The CCS, ESPO and YPO 367 frameworks make reference to the charge being calculated based on either the cost of repair and replacement or the cost of rectification of defects. The vehicle return condition charges could be costly if there are several repair and replacements or defects. The HHT framework provides a level of protection against this risk by linking the vehicle return condition to its overall value and providing an in-built £250 return condition waiver. This means that vehicle return condition charges will be lower under the HHT framework than for the others.
24. Other framework details that have been reviewed to evaluate the frameworks are as follows:
 - Lease contract extensions – The HHT framework provides an automatic 10% discount on the original lease contract cost. The other frameworks undertake a calculation using the same methodology as the original lease contract, so their lease contract extensions costs will be variable.
 - Mileage pooling – This is the ability to off-set under-run of mileage on vehicles in a group procurement against over-run of mileage on others in the same group to avoid excess mileage charges, this is available within the CCS and HHT frameworks.
 - Excess mileage charges – As an alternative to mileage pooling the HHT framework offers under-run mileage rebates at the same rate per mile as the excess mileage rate.
 - Tyre policy – All frameworks provide fair wear and tear tyre replacement. The HHT framework also provides tyre replacement without charge if it is due to irreparable damage caused by the driver.

- Vehicle excise duty – Increases in vehicle excise duty during the term of a lease contract are passed on to framework users. For the HHT framework the first 7.5% of increases is absorbed by the supplier.

25. Based on the evaluation of the four frameworks available for procurement of light commercial vehicles, the ESPO and YPO 367 frameworks do not provide any specific advantages over the others. The CCS framework has the advantage of a single master lease contract and an early termination charge matrix with the least costs. The HHT framework provides an early termination charge matrix and a number of built-in conditions designed to minimise additional costs over the life of each vehicle, which together provide the best overall package. The CCS framework has twelve suppliers of cars and vans and five suppliers of light commercials up to 7.5 tonnes. The HHT framework has six suppliers across all vehicle types in the group, this is fewer than CCS for cars and vans but does include two of the three suppliers to the council's lease car contract and would provide good competition.
26. Therefore, it is recommended that the Halton Housing Trust framework, including any new framework that directly replaces this, is used to procure light commercial vehicles up to a total value of £5.96m for a period of six years commencing 1st March 2016.

Description of framework evaluation – heavy commercial and specialist vehicles

27. A similar framework evaluation was undertaken for the four frameworks that could potentially be used for procurement of heavy commercial and specialist vehicles. Table 4 below provides an overview of how the four frameworks compare.

Table 4 – Overview of frameworks for heavy commercial and specialist vehicles

	B&NES	CCS	ESPO	YPO 372
OJEU compliant procurement procedure	✓	✓	✓	✓
Ability to adjust standard framework T&Cs	✓	✓	✓	✓
Lease contract	Individual supplier leases	Single framework master lease	Individual supplier leases	Individual supplier leases
Ability to use council's standard evaluation methodology for mini-tenders	✓	✓	✓	✓
Early termination cost	Fixed	Fixed	Variable	Variable
Return condition charges	Variable, waiver on first £500 for Lot 2	Variable	Variable	Variable

28. All of the frameworks were procured using procedures compliant with OJEU requirements. The tender processes used, the evaluation methodologies and outcomes have been reviewed. This has determined that a robust tender and

evaluation process was followed. OJEU details for each framework are shown in Appendix A.

29. Each framework agreement has a set of terms & conditions that is primarily used to manage the relationship between the framework host and the selected suppliers. The terms and conditions of the ESPO framework also includes reference to some specific aspects of the day to day operation of vehicles, whereas the B&NES, CCS and YPO 372 framework terms and conditions do not include these aspects – rather they are embedded in the supplier lease contracts instead.
30. For the B&NES, ESPO and YPO 372 frameworks the lease contracts are provided by the suppliers. For the CCS framework there is a single master lease contract that is used for all of its suppliers which is a potential advantage as it would make lease contract management simpler. In all cases the lease contract contains the main aspects of the relationship between the hirer and the supplier including charges and vehicle supply and maintenance arrangements.
31. Some of the clauses in the framework agreement terms & conditions and lease contracts do not align completely with the council's standard contract terms and conditions so it may be necessary to make amendments or additions. Again framework hosts have advised that, within reason, this can be done.
32. As part of the OJEU tender processes framework hosts evaluated the bids received using cost and quality criteria. The weighting attached to these criteria varied between the frameworks. Mini-tenders under the frameworks are required to use the same evaluation criteria as the original OJEU tender process, but the weightings can be adjusted. This means that the council would be able to apply the standard contract evaluation criteria and weighting taking into account cost and quality based on a ratio of 70:30 for any of the four frameworks.
33. The B&NES and CCS frameworks both include fixed early termination matrices – the CCS matrix is has lower fixed costs than the B&NES matrix. This provides framework users with a level of cost certainty which can be evaluated at mini-tender. The ESPO and YPO 372 frameworks do not contain fixed early termination costs. Instead a cost calculation would be made by the supplier at the point of early termination and this would be passed on to the framework user which means this is a potential risk area for the ESPO and YPO 372 frameworks, although this risk is low as explained earlier.
34. The CCS, ESPO and YPO 372 frameworks make reference to the vehicle return condition charge being calculated based on either the cost of repair and replacement or the cost of rectification of defects which could be costly. The same applies to the B&NES framework although a level of protection against this risk is provided for Lot 2 vehicles (12.5 to 18 tonnes) by linking the vehicle return condition to its overall value and providing a £500 return condition waiver. This means that vehicle return condition charges would be lower under the B&NES framework for around a third of vehicles in the heavy commercial and specialist group.
35. The evaluation of the four frameworks available for procurement of heavy commercial and specialist vehicles shows that they are quite evenly matched. The return condition waiver in the B&NES framework affords a slight advantage. The use of the B&NES framework to procure heavy commercial and specialist

vehicles, if approved alongside the use of the Halton Housing Trust framework to procure light commercial vehicles, would make fleet procurement more straightforward for the Fleet Services Team as both frameworks are managed by Capita Asset Services as part of The Procurement Partnership Ltd.

36. Therefore, it is recommended that the Bath & North East Somerset Council framework, including any new framework that directly replaces this, is used to procure heavy commercial and specialist vehicles up to a value of £3.42m for a period of six years commencing 1st March 2016.

Policy implications

37. Procurement of fleet must take into account the requirement to comply with the current London-wide Low Emission Zone and should have regard to the Mayor's Air Quality Strategy. As part of this a new Ultra Low Emission Zone (ULEZ) covering the congestion charge zone is due to be introduced in September 2020. Commercial fleet procured under the proposed arrangements with lease periods of five years or more that need to enter the congestion charge area must comply with ULEZ requirements.

Tender Process and Evaluation

38. As the proposal is to use framework agreements, no tender documentation was needed. As explained earlier the tender processes used to establish the six fleet framework agreements that are under consideration, along with the tender evaluation methodologies and outcomes have been reviewed. This review has determined that a robust tender and evaluation process has been followed.
39. The use of fleet frameworks will require the conduct of a series of further competitions, or mini-tenders, amongst the suppliers to the frameworks. This will ensure that good value for money is achieved for each group of vehicles or individual vehicle that is procured. In the first instance the Fleet Services Team will collate completed Vehicle Order Templates received from business units and arrange these into groups of similar types of vehicles aligned to the 'lots' established within the framework agreements. The Fleet Services Team will prepare details for a group of vehicles ready for each mini-tender process. As part of the arrangements any amendments or additions to standard framework terms and conditions or lease contracts will be drawn up for inclusion within mini-tender documents.
40. Within the mini-competition the council will set out the evaluation criteria that will be used to determine which supplier will be awarded the contract. The evaluation process will be similar to that followed for the award of a conventional contract taking into account cost and quality based on a ratio of 70:30. The detail within the evaluation matrix will include the following factors:
 - Quality
 - Delivery arrangements
 - Management arrangements
 - Tyre replacement service
 - Emergency breakdown cover
 - Environmental issues
 - End of hire arrangements.

- Cost
 - Lease costs
 - Excess mileage costs
 - Early return costs
 - End of lease return costs linked to vehicle condition.

The performance of suppliers against some of these factors may already be established through the standard terms & conditions and lease contracts that are in place. Performance against other factors will vary from one mini-tender to the next and in accordance with any amendments or additions that are made to standard clauses.

41. Following each mini-tender and evaluation process a formal decision will be required to approve the award of a supply contract to the successful bidder. As such the total levels of expenditure referred to in this report will be made up of the aggregate values of all of the call-off contracts awarded over six years. Each call-off contract award from the relevant frameworks will be made in line with contract standing orders.

Plans for the transition from the old to the new contract

42. The previous commercial fleet supply contract with London Hire Ltd expired in November 2014. No new commercial fleet leases have been entered into since contract expiry. The commercial fleet has continued to be provided to business units through original leases that remain in force, through extended leases or through short term hire. These arrangements will continue until the new fleet procured through the framework agreements is delivered. Based on the current indicative lead-in times, this is likely to be July 2016.
43. There is a risk that demand from business units for supply of new commercial fleet will create difficulties for the fleet services team, both in terms of delivery administration and restricted depot space. This risk will be actively managed to create an even flow of vehicle delivery. If necessary deliveries will be prioritised so that business units without the fleet they need to operate services, or with relatively high cost short term hire arrangements, receive new vehicles as early as possible.

Plans for monitoring and management of the contract

44. The client management of the framework arrangements and lease contracts will be undertaken by the fleet services team. Framework agreements have some key performance indicators built-in that relate specifically to the operation of the agreement itself, for example the time allowed for submission of bids for a mini-tender. There is flexibility within framework agreements and leases to set out local key performance indicators to meet any specific needs that the council may have. The requirement for local key performance indicators, especially any that might be requested by particular business units, need to be carefully managed to avoid building in unnecessary additional cost. The following KPIs will be included:

- Adherence to vehicle delivery dates and times
- Compliance with vehicle specifications
- Vehicle downtimes
- Response times to information requests

- Time taken for tyre repairs
- Availability of spare vehicles.

Identified risks for the new contract

45. The identified risks for the procurement and how they will be managed are set out in the Table 5 below.

Table 5 - Risks for Fleet Procurement

	Risk	Risk level	Mitigation
1	Risk that vehicles will have to be returned before full lease term has expired due to budget pressures or changes in the way that services are delivered.	Low to medium	Business units will be required to address this risk as part of the vehicle ordering process. Potential for unwanted vehicles to be re-assigned to other business units instead of ordering new vehicles. Cost of early return will be part of the evaluation of bids.
2	Framework agreements currently available will expire over time.	High	The fleet framework agreement market is well-established. Framework contracts that have expired recently have been replaced with new framework agreements that are similar in nature. The hosts of all framework agreements under consideration have confirmed the intention to set up new agreements giving continuity of supply.
3	Additions and amendments to standard terms and conditions impacting on number of bids at mini-tender stage.	Low to medium	Engage with suppliers ahead of mini-tender process to allow time for additions/ amendments to be considered. Keep additions/amendments to a minimum. Group or isolate vehicles in mini-tender process to take account of specific requirements that are not needed elsewhere.
4	Fragmentation of supplier base making fleet management more complex.	Medium	Manage the pipeline of vehicle requests from business units to minimise the number of mini-tenders conducted and group as many similar vehicle types together as possible.

Community impact statement

46. The proposals in this report relate only to the provision of the council's fleet procurement arrangements and do not impact on service design, outcomes or access. Therefore, there is no community impact arising from this report.

Sustainability considerations

47. Business units need to focus on all possible means to make their services more sustainable. The use of commercial fleet can play a significant part in delivering these outcomes by considering the following:
- Fleet minimisation - limit the number of vehicles on the fleet, this can be by operating pool arrangements, through shared use within or between services, or by the use of short term hire if vehicles are only required intermittently.
 - Downsizing - avoid using vehicles that are unnecessarily large.
 - Alternative fuels - where the nature of the service allows, use electric or hybrid vehicles.
 - Alternatives modes – where the nature of the service allows, use public transport, cycle or walk.
48. As part of the vehicle ordering process business units will be required to demonstrate that consideration has been given to all of these factors. This will be through the completion of the vehicle order template that will require these factors to be addressed and then authorised at senior manager level.
49. The Public Services (Social Value) Act 2012 requires the council to consider a number of issues including how what is proposed to be procured may improve the economic, social and environmental well-being of the local area. These issues are considered in the following paragraphs which set out economic, social and environmental considerations.

Economic considerations

50. It is not likely that local small and medium sized enterprises have the capacity to bid successfully for inclusion in fleet framework agreements. However, the suppliers used by the council under the framework arrangements are likely to use local commercial dealerships to supply vehicles and use local motor trade networks for servicing and maintenance.

Social considerations

51. There are no specific social considerations. The London living wage is not applicable due to the supply nature of this contract.
52. The use of frameworks will be in due regard to section 149 of the Equality Act 2010 under which the council has a duty in its decision making processes to;
- Eliminate discrimination, harassment, victimisation or other prohibited conduct;
 - Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not

- Foster good relations between those who share a relevant characteristic and those that do not share it.
53. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. The Public Sector Equalities Duty also applies to marriage and civil partnership. There are no equality implications associated with this procurement.
 54. The council will ensure that any arrangement it enters into is flexible enough to enable it to meet requirements relating to wider road safety issues, for example those of the London Cycling Campaign's "Safer Lorries, Safer Cycling" pledge.
 55. All vehicles procured under these arrangements will meet the requirements of the Fleet Operators Recognition Scheme, Gold Accreditation standard, currently held by Southwark.

Environmental considerations

56. The council has a strong track record of introducing green fleet policies and outcomes based on both economic and environmental business cases. The council aims to minimise the environmental impact of all its fleet of vehicles through reduced local emissions. Any contractual arrangements will need to enable the council to continue to meet these objectives.
57. Procurement of commercial fleet takes into account the requirement to comply with the current London-wide Low Emission Zone which links into the Mayor's Air Quality Strategy. The new Ultra Low Emission Zone (ULEZ) covering the congestion charge zone is due to be introduced in September 2020. All commercial fleet procured from 1st March 2016 onwards will be ULEZ compliant so that the air quality benefits achieved by using ULEZ compliant commercial fleet in the congestion charge zone are also achieved elsewhere in the borough. Where the nature of the service allows, the use of electric or hybrid vehicles will be required.

Market considerations

58. The UK fleet supply chain is very large, well developed and highly competitive. There are around ten major suppliers of fleet and most of these supply vehicles through lease arrangements within the six framework agreements that the council is able to use. Should it not be possible to procure a specialist vehicle required by the council through the framework agreements, a separate report will be prepared outlining a recommended strategy for procurement of those vehicles.
59. There are no local small and medium sized enterprises (SMEs) that supply to the framework agreements. However, framework suppliers may engage local commercial fleet dealerships to supply the vehicles and to undertake servicing and maintenance due to their proximity.

Staffing implications

60. Managing framework contracts that may be awarded to more than one supplier would require increased input from the fleet services team. However, it is anticipated that if this does happen this can be managed within existing staffing levels.

Financial implications

61. Based on the nature and size of the current commercial fleet, the anticipated level of expenditure against framework agreements under the proposed procurement arrangements will be on average £1.56m per annum. The total expenditure will be up to £9.38m across two different frameworks over six years. Note that this is slightly above the £9.2m that was approved at Gateway 1. Assuming the level of requirements remains the same, it is unlikely that business units will require additional funding to meet the costs of the new contract. Table 6 below sets out details of the number, type and cost of the current commercial fleet.

Table 6 – Number, type and cost of commercial fleet by business unit

Business unit	Types of Vehicles				Annual Cost
	Light commercial under 7.5 tonnes	Heavy commercial vehicles over 7.5 tonnes	Specialist vehicles	Total number of vehicles	£'000
Building services	90			90	305
Community wardens	6			6	19
Enforcement	1			1	12
Highways	7	1	6	14	106
Home Improvements	1			1	3
Housing	3			3	12
Libraries	3			3	7
Markets	1			1	4
Parks	8			8	35
Parking	3			3	13
Pest control	23			23	48
Play Services			3	3	20
Property	1			1	1
Security/cashiers	1			1	7
Sheltered housing	4			4	16
Children's & Adult Services	1		11	12	183
Southwark Cleaning services	91	4	9	104	655
Temporary accommodation	6			6	23
Tooley St (pool cars)	7			7	27
Trading Standards	1			1	3
Trees Section	9			9	61
Totals	267	5	29	301	1,560

62. There is no obligation for the council to procure any particular number and type of vehicles under these arrangements, so business units have the freedom to deliver efficiencies and savings linked to the type, size and number of vehicles they use and the way that services are delivered.
63. In order to ensure that the charges for commercial fleet procured under the proposed arrangements are appropriately accounted for, it will be necessary to make a determination as to whether leases are classified as finance leases or operating leases. The information required to make this determination will be requested from suppliers as part of the mini-tender process so that the necessary accounting adjustments can be made in the annual statement of accounts.
64. The council will not receive any direct charge for the use of framework agreements. Framework hosts do receive payment from suppliers based on supply contracts that are entered into by users, the cost of which is built into the prices tendered in successful bids. These range between around 0.5 and 1 per cent of the whole contract value.
65. The use of framework agreements will not commit the council to any minimum or maximum level of spend. The cost of any future variations to the contract will be contained within the budgets of the end user business units.

Legal implications

66. Please see concurrent from the director of law and democracy

Consultation

67. The following groups have been consulted as part of the evaluation of the frameworks:
 - Business units with the most significant fleet operations
 - Other authorities using the frameworks
 - Providers of frameworks.
68. The business units with the most significant fleet operations are Southwark building services and the cleaning service. The requirements of these services have been taken into consideration in drawing up the commercial fleet procurement strategy.
69. Other authorities that are using fleet framework agreements have been asked for feedback on the suitability and ease of use of the frameworks in meeting their fleet needs. The feedback received suggests that fleet framework agreements work adequately for meeting the needs of the authorities that responded.
70. Framework hosts have provided documentation including details of tender processes and evaluations, framework terms and conditions, lease contract details and other supplementary information around support for users of framework agreements and contacts for authorities that are already using them.

Other implications or issues

71. There are no other implications or issues.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Head of Procurement

72. This report seeks cabinet permission to approve the use of recommended framework agreements for the provision of commercial fleet vehicles for the council, up to a value of £9.38m over six years.
73. For light commercial vehicles, the report recommends cabinet approve the use of Halton Housing Trust's Framework Agreement, for six years from 1st March 2016, to spend up to a value of £5.96m.
74. The report also requests that cabinet approves the use of the Bath & North East Somerset council framework to procure heavy commercial and specialist vehicles up to a value of £3.42m for a period of six years commencing 1st March 2016.
75. The report makes provision to allow the council to utilise any framework agreement which directly replaces the framework agreements specified within the 6 year period covered by this report.
76. All call-off contracts made following the approvals from this report will be in line with the council's contract standing orders and notes process requirements, such as the need to register to utilise the recommended framework agreements.
77. The report highlights sustainability considerations, noting that all commercial vehicles procured under the relevant frameworks will be compliant with the requirements of the Ultra Low Emission Zone which will be implemented in the congestion zone area from September 2020 and that the use of electric or hybrid vehicles will be required, where the nature of the service allows.

Director of Law and Democracy

78. This report seeks the cabinet's approval to the use of the Halton Housing Trust framework (for light commercial vehicles) and Bath & North East Somerset council framework (for heavy commercial and specialist vehicles) for the period of 6 years from 1 March 2016, as further detailed in paragraphs 1-5.
79. The proposed recommendation to use these frameworks is in relation to a strategic procurement (as defined in contract standing orders) which means that the decision to approve this report is reserved to the cabinet, after consideration of the report by the corporate contract review board.
80. The nature and value of the vehicles and services to be supplied under these frameworks are such that they are subject to the full tendering requirements of the Public Contract Regulations 2015. However, vehicles will be procured following a mini-competition using one of the two frameworks (depending on type of vehicle), both of which have been procured through an EU compliant tender

process, and were tendered on the basis that other local authorities could use them. Approval of the individual contract awards for each vehicle will be subject to the usual CSO requirements.

81. Legal officers from law and democracy have reviewed the terms and conditions of the existing frameworks, and will review any new frameworks which may be established once the existing ones expire. Any Southwark specific requirements will be incorporated into the tender documentation at the mini-competition stage.

Strategic Director of Finance and Governance

82. The strategic director of finance and governance notes the recommendation in this report to the cabinet to approve the award of provision of the council's commercial vehicles to Halton Housing Trust framework (light vehicles) and the Bath & North East Somerset council framework (heavy/specialist vehicles), including any new frameworks that directly replace these, up to a value of £9.38m for a period of six years commencing 1 March 2016.
83. The council faces reductions in its resources from government in coming years and it is hoped that business units will procure vehicles in numbers, sizes and types which will enable them to deliver efficiencies and savings.
84. The strategic director of finance and governance notes the financial implications contained within the report. Contract expenditure will be monitored on a regular basis as part of the departmental revenue monitoring process. Officer time to effect the recommendation will be contained within the existing budgeted revenue resources.

BACKGROUND DOCUMENTS

Background documents	Held At	Contact
Gateway 1 Procurement Strategy Approval Commercial Fleet Report	Environment and Leisure, Waste and Cleaning Service, Integrated Waste Management Facility, Devon Street SE15 1AL	Michael McNicholas 020 7525 3449
Link: Gateway 1 Procurement Strategy Approval		
Headline information about the framework agreements referred to in this report can be found on the relevant web-sites using the following links:	Environment and Leisure, Waste and Transport Service, Integrated Waste Management Facility, Devon Street SE15 1AL	Michael McNicholas 020 7525 3449
Links: http://www.ypo.co.uk/contract/detail/900155 http://ccs-agreements.cabinetoffice.gov.uk/contracts/rm3710 https://www.espo.org/Frameworks/Highways-vehicles/Vehicle-Contract-Hire-Leasing http://www.tppl.co.uk/		

APPENDICES

No	Title
Appendix A	Fleet Framework Agreements – OJEU details

AUDIT TRAIL

Cabinet Member	Councillor Darren Merrill, Environment and the Public Realm		
Lead Officer	Ian Smith, Director of Environment		
Report Author	Michael McNicholas, Head of Waste and Cleaning		
Version	Final		
Dated	26 January 2016		
Key Decision?	Yes		
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER			
Officer Title	Comments Sought	Comments included	
Head of Procurement	Yes	Yes	
Director of Law and Democracy	Yes	Yes	
Strategic Director of Finance and Governance	Yes	Yes	
Contract Review Boards			
Departmental Contract Review Board	Yes	Yes	
Corporate Contract Review Board	Yes	Yes	
Cabinet Member	Yes	Yes	
Date final report sent to Constitutional Team		26 January 2016	

APPENDIX A

Fleet Framework Agreements OJEU Details

Bath and North East Somerset Council	
OJEU Details	
Term	Awarded 1 st April 2014 for four years
OJEU Contract notice reference number	2013/S 249-435347
Contract award notice reference number	2014/S 81-141194
Number of suppliers – 12 over 2 lots Buses and coaches – 9 suppliers HGVs, specialist and municipal vehicles – 9 suppliers	Burnt Tree Group Ltd Close Brothers Commercial Vehicle Solutions Ltd Dawsonrentals Sweepers Go Plant Limited Essential FS (was Kier FPS Limited) LeasePlan UK Limited (trading as Automotive Leasing) Lex Autolease London Hire Ltd Riverside Truck Rental Ltd Ryder Ltd SHB Hire Ltd Specialist Fleet Services Limited

Crown Commercial Service (RM3710)	
OJEU Details	
Term	Three years to May 2018
OJEU Contract notice reference number	13/12/14: 2014/S 241-424445
Contract award notice reference number	02/06/15: 2015/S 104-189614
Number of suppliers Cars and light commercial – 12 suppliers 3.5 tonnes and above – 5 suppliers	ALD Automotive Ltd Alphabet (GB) Ltd Arnold Clark Vehicle Management Arval UK Ltd Dawsonrentals Truck and Trailer Ltd Fraikin Ltd Hitachi Capital Vehicle Solutions Inchcape Fleet Solutions Leasedrive LeasePlan UK Ltd t/a Automotive Leasing Lex Autolease Lookers Leasing Ltd Mercedes-Benz Financial Services UK Ltd (Daimler Fleet Management) Ryder Ltd VW Financial Services (UK) Limited

Eastern Shires Purchasing Organisation (218)

OJEU Details

Term	Four years until 31 st August 2017
OJEU Contract notice reference number	2013/S 041-065691
Contract award notice reference number	2013/S 188-324175
Number of suppliers – 13 over 6 lots Supply of commercial Vehicles (up to and including 7.5 Tonnes GVM), Passenger Transport Vehicles (up to and including 32 seats), Passenger Transport Vehicles (over 32 seats), Heavy Commercial Vehicles (over 7.5 Tonnes GVM), plus specialist and municipal vehicles (all weights), Sub-compact and Compact Precinct Sweepers, Agricultural & Horticultural Vehicles LCVs to 7.5 tonne – 7 suppliers	May Gurney Fleet & Passenger Services Ltd (now Kier FPS) SHB Hire Ltd Automotive Leasing Ltd London Hire Ltd Specialist Fleet Services Ltd Burnt Tree Group Ltd Ryder Ltd Hitachi Capital Vehicle Solutions Ltd Riverside Truck Rental Ltd Dawson Rentals Bus and Coach Ltd C P Davidson & Sons Ltd Dawsonrentals Sweepers Euromec Ltd

Halton Housing Trust

OJEU Details

Term	Awarded on 30 November 2012 and will run for four years
OJEU Contract notice reference number	2012/S 146-243977
Additional information reference number	2012/S 153-254852
Contract award notice reference number	2012/S 246-403586
Number of suppliers – 6 Supply of cars and light goods vehicles up to 7.5 tonnes.	Alphabet (UK) Fleet Management Days Contract Hire Automotive Leasing Lex Autolease Essential FS (was Kier Services) Prohire

Yorkshire Purchasing Organisation (367)

OJEU Details

Term	Four years until December 2017
OJEU Contract notice reference number	2013/S 186-321137
Contract award notice reference number	2014/S 030-048785
Number of suppliers – 10 over 6 lots Supply of cars and light goods vehicles up to 7.5 tonnes Cars – 7 suppliers LCVs to 7.5 tones – 7 suppliers	Arnold Clark Car & Van Rental Arnold Clark Finance Ltd Burnt Tree Vehicle Rental Enterprise Rent-A-Car UK Limited Europcar Group UK Limited Riverside Truck Rental Ltd Thrifty Car & Van Rental Specialist Fleet Services SHB Hire Ltd Venson Automotive Solutions Ltd

Yorkshire Purchasing Organisation (372)

OJEU Details

Term	Four years until December 2017
OJEU Contract notice reference number	2013/S 192-330925
Contract award notice reference number	2014/S 013-018695
Number of suppliers – 15 over 13 lots Supply of specialist vehicles	Cooper Group UK CP Davidsons & Sons Limited Dawson Rentals Bus and Coach Ltd Dawson Rentals Sweepers Go Plant Limited Kidd Commercials M6 Vehicle Hire Limited Multihog UK Limited ND Brown Limited Premier Truck Hire Limited Riverside Truck Rental Ltd S P Plant SHB Hire Ltd Specialist Fleet Services Trash UK Limited

Item No. 20.	Classification: Open	Date: 9 February 2016	Meeting Name: Cabinet
Report title:		Diversity Standard	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Michael Situ, Communities and Safety	

FOREWORD - COUNCILLOR MICHAEL SITU, CABINET MEMBER FOR COMMUNITIES & SAFETY

The diversity of our population is one of our most valued assets. Strong communities will thrive and prosper when individuals and groups are treated fairly and with respect, and are able to identify and gain access to the services they need. We understand that equality will only be achieved if everyone in the borough understands and feels able to contribute to it.

This report sets out our proposed diversity standard that we will be encouraging business and our partners in the voluntary sector to sign up to. It meets our promise to implement a strategy which recognises and values the diversity of the borough, and offers a mechanism for non-council organisations operating in the borough to demonstrate their commitment to supporting the Council's ambition for a fairer and more inclusive borough.

There is real strength in our local communities. Southwark is a borough where people are proud to say they get on well together. By placing fairness at the centre of everything we do, by promoting equality of opportunity and by celebrating diversity and community cohesion we can help to build a fairer future for all.

RECOMMENDATION

1. That the cabinet notes the consultation carried out, and approves the final version of the Diversity Standard as set out in Appendix 1.

BACKGROUND INFORMATION

2. In December 2011 the cabinet agreed the Approach to Equality. The Approach put equality at the heart of the Fairer Future Vision. Although the Equality Act 2010 does not require the council to have such an approach in place this was developed in line with good practice and guidance from the Equalities and Human Rights Commission.
3. In July 2014 the council agreed a new council plan that sets out how the council will deliver the fairer future vision. One of the commitments made in the council plan is to build on the Equality Approach by introducing a new diversity standard. This report sets out the results of consultation on the draft Southwark Diversity Standard, and recommends implementation of the Standard.
4. The draft Diversity Standard proposes a baseline set of standards that external organisations such as local businesses of all sizes and voluntary and community

sector organisations can sign up to. It meets the commitment in the existing Council Plan to implement a strategy which recognizes and values the diversity of the borough, and offers a mechanism for non-council organisations operating in the borough to demonstrate their commitment to supporting the Council's ambition for a fairer and more inclusive borough.

5. The Standard is intended for all organisations, private, public and voluntary within the Borough to sign up to on a voluntary basis, private, public and voluntary. Officers consulted the following key umbrella groups in this initial stage of work:

- the new Business Forum,
- the Southwark Voluntary Sector Forum
- the Forum for Equalities and Human Rights in Southwark (FEHRS)
- the Southwark Chamber of Commerce.

CONSULTATION PROCESS

6. As the Cabinet requested in January 2015, the draft Standard has been shared with over-arching consultative forums and the responses are set out below.

Summary of consultation responses	
Business Forum	• Discussion led by a senior council manager – accepted without comment.
Business Improvement Districts	• Consultation document emailed to chairs of BIDs - no negative comments received.
Community Action Southwark	• Most comments appear to interpret the purpose of the Diversity Standard as a replacement for our Approach to Equality. • CAS also hoped it would provide a 'gold standard' rather than the proposed baseline standard. • In response the draft Diversity Standard has been radically edited to make it much more concise and easy to understand its purpose.
FEHRS	• There was a general feeling that it is too 'wordy' and as noted above, has been amended to reflect this comment. • Asked how those signing up to the standard would be monitored for compliance. The intention is the standard is voluntary. • Asked whether the 'no zero hours contracts' commitment could be amended to recognise that zero hours contracts suit some people, but these should be negotiated and agreed by both parties. (this has been inserted as a suggestion) • Also felt the commitment to paying the 'Living Wage' Not ambitious enough, and would like to see this changed to the 'London Living Wage' (originally this was inserted to cover organisations who had employees outside the borough but this has also been inserted as a proposal). • Noted that as yet there is no implementation plan, and that the promotion of the scheme, including the benefits of

Summary of consultation responses	
	joining, is important to its future success. They suggested training for interested organisations.

Implementation of the Southwark Diversity Standard

7. Following the adoption of the Southwark Diversity Standard by the Cabinet, the umbrella organisations in the borough will be invited to sign up to it, including:
 - The Business Forum
 - The Southwark Voluntary Sector Forum
 - The Forum for Equalities and Human Rights in Southwark
 - Community Action Southwark
 - The Multi Faith Forum.
8. Council officers will offer to attend an appropriate meeting of each of the umbrella bodies to promote the Standard and encourage participation, emphasising that the Standard provides a baseline only.
9. Those umbrella organisations that agree to participate will be expected to encourage their membership to sign up also.
10. Those organisations who have agreed to participate will be provided with a poster-size copy of the Standard to display and accompanying visuals for their premises.
11. The Council's main contractors will be encouraged to sign up to the Diversity Standard and further work will take place to consider how the Standard may be included in future contracts the Council enters into with external providers and suppliers.
12. The council will develop tools and guidance to support participating organisations. These will include case studies of some of the good practice that already exists across business and community sectors and will be made available on the council website.
13. Officers will continue to work with businesses and voluntary and community organisations in the borough to encourage more organisations to adopt the Standard.
14. It is not intended that the Council will carry out any monitoring of individual organisations, but for those that have opted in to self monitor. As opting in will be entirely voluntary, there should be no need for sanctions. The council will however conduct an annual review of the take-up of the Standard.

Policy implications

15. The Diversity Standard will contribute to delivering the council's Fairer Future promises, as set out in the Cabinet report dated 2 July 2014 - Delivering a Fairer Future for all in Southwark.

Community impact statement

16. This Diversity Standard once enacted will provide an approach for any external organization in any sector working in Southwark to demonstrate their

commitment to recognising and valuing the diversity of our borough.

17. It will reassure the diverse communities of Southwark that the council is promoting their interests beyond the council's own provision of services.
18. Discussion with representatives of some of the key forums in the borough has already taken place and has helped to shape and promote the standard.
19. The Diversity Standard addresses all nine strands of the council's equality agenda: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation as well as socio-economic status.

Financial implications

20. There are no additional costs to be incurred by consulting on the Standard as set out in this report, as existing staff will consult the forums listed.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy

21. The director of law and democracy (acting through the employment section) notes the content of the report.
22. The report seeks cabinet agreement to introduce a Southwark Diversity Standard in the attached form.
23. This is a decision that can be made by the cabinet in accordance with part 3B (7 & 19) of our constitution:
 - (7) To promote human rights, equality of opportunity and the interests and particular needs of all those who experience discrimination or disadvantage by virtue of their race, gender, disability, sexuality or age;
 - (19) To have responsibility for all equalities and diversity matters concerning both employment policy and practices and service delivery and the active promotion of the council's equalities policies.
24. The relevant legislation is the Equality Act 2010, as set out in paragraph 2. Section 149 of the Equality Act 2010 introduced a single public sector equality duty (the PSED General Duty). It requires the council to have due regard in its decision making processes to the need to:
 - (a) Eliminate discrimination, harassment, victimization or other prohibited conduct;
 - (b) Advance of equality of opportunity between persons who share a relevant protected characteristic and those who do not share it;
 - (c) Foster good relations between those who share a relevant characteristic and those that do not share it.
25. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. It also applies to marriage and civil partnership, but only in relation to (a) above.

26. The council's "Approach to Equality", which was agreed by cabinet in December 2011, outlines the council's legal duties under the PSED General Duty as well as its obligations under the Human Rights Act 1998. It also sets out the council's commitment to embedding equality and human rights within the day to day responsibilities of all members, officers and contractors, as a part of day to day business.
27. The report notes, at paragraph 15, that the proposed Diversity Standard will apply in respect of socio-economic status. Socio-economic status is not a relevant protected characteristic under the Equality Act 2010 and it is not unlawful to discriminate on that ground. Further the public sector duty regarding socio-economic inequalities under Section 1 of the Equality Act 2010 has not been brought into force. However, whilst it is not a legal requirement to advance equality and eliminate discrimination on the ground of socio-economic status, to the extent that the proposed Diversity Standard aims to tackle socio-economic disadvantage it is consistent with the council's fairer future promises.
28. As the report notes in paragraphs 3, 4 and 10, the proposed Diversity Standard is also consistent with the Approach to Equality and a commitment to its introduction was included in the new Council Plan which was agreed by cabinet in July 2014.
29. The report confirms that the draft form of the Southwark Diversity Standard as presented to Cabinet on January 2015 was subject to consultation and summarises, in paragraph 6, the form and outcome of that consultation. There is no explicit legal requirement under the PSED General Duty to engage with people but it does require public authorities to have an adequate evidence base for decision making. For analysis to be vigorous it follows there must be meaningful consultation and engagement with interested parties. The council's Approach to Equality also commits the council to engaging with the community through a wide range of channels, including with those that have an interest in key issues around equality and actively look for feedback on proposals where appropriate. The consultation undertaken is consistent with this.

Strategic Director of Finance and Governance

30. As stated in paragraph 15 under financial implications, no additional costs are foreseen for the development of the standard and subsequent consultations. In the event that unexpected costs do arise, they will have to be managed by Communities within the division's overall budget provision.

BACKGROUND PAPERS

Background Papers	Held At	Contact
Southwark Council's approach to equality: delivering a fairer future for all (Item 12)	Housing & Community Services / 160 Tooley Street, London SE1 2QH	Darryl Telles 020 7525 1787
Link: http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=3818&Ver=4		

APPENDICES

No.	Title
Appendix 1	The Southwark Diversity Standard

AUDIT TRAIL

Cabinet Member	Councillor Michael Situ, Communities and Safety		
Lead Officer	Stephen Douglass, Director of Communities		
Report Author	Sarah Totterdell, Senior Strategy Officer		
Version	Final		
Dated	28 January 2016		
Key Decision?	Yes		
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER			
Officer Title		Comments Sought	Comments included
Director of Law and Democracy		Yes	Yes
Strategic Director for Finance and Governance		Yes	Yes
Cabinet Member		Yes	Yes
Date final report sent to Constitutional Team			29 January 2016

APPENDIX 1

The Southwark Diversity Standard

Commitments to Diversity

This Standard is our commitment to equality of opportunity, respect for diversity and preventing unlawful discrimination towards customers, service users and residents. It applies in respect of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation and socio-economic status.

All our staff will contribute to the Standard by treating each other, customers, and all residents fairly, with respect and understanding, as well as celebrating and promoting difference.

In complying with the Standard we will:

Make sure that everyone who needs to can use our services. We will make sure that we meet the diverse needs of our service users and our staff.

Actively contribute to making our communities more cohesive by welcoming and treating everyone with respect and dignity.

We will make reasonable adjustments to ensure that all customers and service users are not placed at a disadvantage due to perceived differences. We will consider how our services can affect different groups, taking action to tackle barriers to access where these exist.

Our recruitment and employment practice encourages equality of opportunity and respect for diversity and tackles barriers faced by specific groups. We actively work to create a workforce that is representative of the local community and our customers.

Ensure that all our workers and subcontractors in Southwark are paid at least the London Living Wage, or where employed outside London, at least the Living Wage.

Ensure that we do not use zero hours contracts in place of permanent contracts except where negotiated by employer and employee to the mutual benefit of both.

Seek opportunities to work with our local community and local community organisations to tackle inequality, for example by supporting people to develop the skills they need to participate economically, culturally and socially

Have systems in place to deal with any complaints of discrimination promptly, fairly, openly and effectively.

Encourage other employers to adopt similar practices.

Item No. 21.	Classification: Open	Date: 9 February 2016	Meeting Name: Cabinet
Report title:		Response to the Lambeth and Southwark Early Action Commission	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Michael Situ, Communities and Safety	

FOREWORD - COUNCILLOR MICHAEL SITU, CABINET MEMBER FOR COMMUNITIES AND SAFETY

The *Local Early Action: how to make it happen* report provides a welcome contribution to thinking and planning on how all those involved in delivering services can make the most of current resources. It sets out a number of challenges to the council.

This report responds to these challenges in two ways. It lists a great number of initiatives in which the council is working with other public bodies and partner organisations at a local level, to find new ways of working that will prevent problems from developing and will improve health and wellbeing in Southwark. These are drawn from across a wide range of service areas and demonstrate the richness of ideas, energy and commitment that is driving a shared desire to improve public health and to reduce preventable problems.

The report also sets out a number of changes that will improve the coordination of how services are delivered at a time of diminishing resources. Planned changes to commissioning are intended to ensure that the impact of these services achieves their full potential for the benefit of our residents especially those who are most vulnerable.

Getting residents more involved with local decisions, being more accountable to local people and taking residents' views into account when making decisions: all of this will help to create a fairer borough where everyone takes part and where every resident can make the most of their potential. This report not only recognises the important recommendations from the commission but also sets out how we plan to use our collective resources to achieve its aims.

RECOMMENDATIONS

That Cabinet:

1. Notes the recommendations of the Lambeth & Southwark Early Action Commission, thanks the Commission for its work and welcomes the opportunity that the report has given us to put prevention at the heart of what we do across the council including Public Health and the NHS Clinical Commissioning Group.
2. Notes the significant investment (£25 million) that the council currently makes to the Voluntary & Community Sector (VCS) and that a substantial part of this can be categorised as preventative spend.
3. Instructs officers to work with the NHS Clinical Commissioning Group (CCG) and the VCS to co-design a new tri-partite voluntary sector strategy to be approved by cabinet in October 2016 that follows these basic principles:

- A recognition of the significant financial challenges across the partners meaning that we must reduce duplication between services, commission efficiently and reduce demand on more intensive interventions such as hospital based services and care homes. The approach is to invest in enabling people to remain healthy and independent in their own homes and communities.
 - The need to focus on outcomes for our residents and work that integrates services to improve the quality and experience for users. The need to work together across the council (including Public Health), the CCG and the VCS on services that best support our residents and communities and provide services that offer all residents support appropriate to their needs in their local area so that Southwark is a fairer place where everyone is able to fulfil their potential and access the opportunities that living in Southwark presents.
 - The need to work with the VCS to provide innovative solutions and high quality services that improve outcomes for people affected by complex social issues such as, mental health, domestic violence, and long-term health conditions. We need the sector to develop its work with particular population groups such as young people and elderly residents.
 - The need for a thriving VCS that mobilises community action and makes best use of community resources, skills, knowledge and spaces and improves residents access to opportunities, services and buildings that meet their needs and ensure no-one is left behind, maximising our collective impact.
 - The need to work strategically across the partnership and wider community to build the capacity of the partners, promote volunteering and support fundraising.
4. Notes the ongoing work on co-ordination of Commissioning both across the council and with the CCG and instructs officers to bring a report back to Cabinet for decision on the way forward in October 2016.
 5. Agrees the proposal to extend the current Community Support Services grant programme totaling £660,900, subject to agreement of the council's budget to allow it to be brought into scope of the work on joint commissioning; and instructs officers to take the necessary actions to put this in place.
 6. Notes the ongoing work in developing a Southwark Giving Scheme to maximize and co-ordinate business engagement with the VCS.
 7. Notes the work that officers are undertaking to explore innovative models of social investment such as DERIC (Developing and Empowering Resources in Communities).
 8. Notes the work that CCG officers are carrying out on a proposal to establish a VCS research challenge fund that aims to improve the way that statutory associations in Southwark engage with the VCS and improve pathways and use of VCS services in the borough.
 9. Notes the good practice examples of early action across the council, CCG and VCS that are outlined in paragraphs 61 to 91 of this report and form a sound basis for

future action that meets the early action/preventative agenda.

BACKGROUND INFORMATION

10. The Southwark & Lambeth Early Action Commission responded to a commitment in the Council Plan to establish a commission to enhance the vital work of the voluntary and community sector.
11. In July 2014 the Southwark Health and Wellbeing Board approved the creation of an independent Early Action Commission. The broad aim of the Commission was to make a series of recommendations about how organisations such as the local council, NHS, police and voluntary sector can work together to prevent problems that damage people's lives and trigger future demand for services.
12. The commission was chaired by the Rt. Hon. Margaret Hodge MP and was composed of a range of experts in early action and intervention across a range of policy areas. The commissioners were Dr. Sue Goss (Office for Public Management); Carey Oppenheim (Chief Executive, Early Intervention Foundation); Dr. Jonty Heaversedge (Chair, Southwark CCG); Prof. David Colin-Thome (Trustee, Guy's and St Thomas' Charity); Helen Charlesworth-May (Strategic Director of Commissioning, Lambeth Council); and, David Robinson (Community Links).
13. On 21 October 2015 the Health & Wellbeing Board received the final report of the Commission. The Board agreed to note the report and to prepare a response for a future meeting in 2016.
14. The report (Local early action: how to make it happen) was formally launched on 16th November 2015 at the Coin Street Conference Centre and the speaker for Southwark was Dr Jonty Heversedge who was Vice Chair of the Commission.
15. The VCS in Southwark has been advocating for a stronger role and voice in the development of policy and strategy. As well as the request for the EAC, there has been the approach made to the Overview and Scrutiny Committee to examine commissioning, and the recent tender from Community Action Southwark (CAS) which set out desired areas for improvement in how engagement between the council and the VCS takes place.
16. There also appears to be a desire for greater recognition at a strategic level of the contribution the sector makes to meeting the needs of residents in the borough.
17. This perception is also prevalent at a London wide level. A recent report "The Change Ahead, Creating a new future for civil society in London" funded by the Corporation of London's Charity, City Bridge Trust, stated that civil society is not part of a strategic plan for London. "At a local level there is a patchwork of approaches to involving and working with civil society organisations which fails to grasp the real potential of civil society to address many of London's entrenched problems and issues."
18. The report also states that "civil society is not consistent in how it "connects" with the communities it serves, which leaves it open to challenge in terms of the legitimacy of what it says and does."
19. The report also highlights the lack of a consistent up to date, single source of data on the most basic of issues: the size, nature and structure of the civil society sector

in London and how this maps against need and notes that this is an impediment to strategic planning.

20. In Southwark, the council has a very strong and visible commitment to the VCS. The level and structure of engagement is well established and the confidence with which demands are articulated indicates that there is a strong relationship. The level of financial investment in the infrastructure organisation demonstrates the council's recognition of the key role that a strong leadership body can make to the economic wellbeing of Southwark by fostering a vibrant VCS.

KEY ISSUES FOR CONSIDERATION

21. The Commission identified four goals for early action in Southwark and Lambeth. These were designed to reverse the balance of spending and to address problems as far upstream as possible. They focused on what can be done locally in the context of extreme budgetary constraints. They interact with dynamic effect and are intended to be mutually reinforcing and sustainable over time.
 - **Resourceful communities** where residents and groups are agents of change, ready to shape the course of their own lives. To achieve this people need actual resources (but in the broadest sense), connections and control.
 - **Preventative places** where material conditions have a positive impact how people feel and enable them to lead fulfilling lives and to help themselves and each other.
 - **Strong, collaborative partnerships** where organisations work together and share knowledge and power, fostering respectful, high-trust relationships based on a shared purpose.
 - **Systems geared to early action**, where the culture, values, priorities and practices of local institutions support early action as the new 'normal' way of working.
22. The Commission noted that effective early action depends on changing whole systems, not just launching new initiatives. The Commission pointed out that these recommendations build on good practice already underway in Southwark, Lambeth and elsewhere. To make a real difference, they must be placed at the heart of policy and practice in both boroughs and pursued forcefully and consistently over time. Taken together, they contribute to the four goals as stated above: resourceful communities, preventative places, strong, collaborative partnerships and systems geared to early action. Action to change systems should not wait until resources are found, nor should changes in practice wait for systems to be geared to early action.
23. The Commission's Summary and key recommendations are set out in Appendix 1.
24. The report concluded that the local VCS should be encouraged and supported to strengthen its focus on upstream measures, and to adopt an inclusive and participative approach to their activities. Funding should be better co-ordinated and directed at early action.
25. The council has a significant commitment to a partnership approach with the VCS and to maximising the use of all community resources to improve the borough.

Having said this, the context in which the council works has shifted radically not least because of the current resource constraints imposed by reductions in central government funding. These changes have necessitated a transformation in the way that the council and its statutory partners are able to go about their business but also demand a new relationship with our residents, and with the VCS.

26. A harsher financial climate has meant the council and other partners being forced to reduce spending dramatically. Within this context we need to continue to meet our statutory obligations, protect essential frontline services and respond to the changing and in some areas increasing needs of residents. This makes the voluntary sector an even more significant partner in making a real difference in areas that are most important for local people. Budget reductions on the level we have seen inevitably mean reductions in grants and procurement opportunities.
27. The VCS continues to have an essential role to play in Southwark and VCS organisations are a key partner in working with the council to ensure that our most vulnerable residents and communities are protected. In facing the challenges of the financial climate, the council, the CCG and the VCS will continue to have to change and modernise the way we work becoming more efficient, reducing costs and diversifying our income sources.
28. Despite the resource constraints the council investment in the VCS is £25million in the current financial year. Further funding in the form of personal budgets is also channelled to the VCS to meet the needs of residents eligible for care.
29. A significant part of these resources (£4m) is in the form of grant funding. The grant funding is for services which are more flexible in responding to community needs and are less tightly defined.
30. These services, broadly speaking, fall within a social action/preventative definition in that they seek to enable service providers within the VCS to respond to the needs of communities.
31. The council also supports the VCS in a range of other ways including the use of mandatory and discretionary rate relief, use of council premises and partnership working with local organisations to develop and deliver new services.
32. Establishing evaluation frameworks that could track the impact of preventative spending over time might help build a stronger evidence base but would reinforce a top-down approach to service provision and meeting community needs. It would mean that resources are spent on monitoring and evaluation rather than on enabling resident empowerment and independence.
33. A more productive use of resources would see the council and the VCS focus on projects that enable and empower residents who are economically disadvantaged or reliant on council and VCS services to track and monitor their own well-being, particularly for health. The Healthy High Streets initiative is one such project that supports this approach.
34. It is recognised that of the £25 million, £6m is for Anchor Trust for older people residential care and £11 million for Supporting People services. Given that these services are for specific identified needs the remaining pot shared amongst the VCS is £8m.

35. Many of the commissioned services even in the form of contracts are not meeting a statutory requirement – some exceptions include Healthwatch and advocacy services relating to mental health issues. Each council department currently commissions services that support a thriving VCS in Southwark but as the resources are diminishing then there is a strategic challenge for the sector to respond to.
36. It is welcome that the EAC report highlights many examples of good practice across Southwark and Lambeth. The report however gives less attention to ways in which the VCS itself can address the current challenges and what the sector itself needs to make this a reality. One of the recommendations is for a dedicated Change Fund to support systems change. The council has already fulfilled this recommendation by funding 5 rounds of a VCS Transition Fund for the sector to change and modernise. The challenge for the sector is to continue to modernise, reduce duplication and ensure that organisations are evolving to meet the changing needs of communities and the changing face of the borough. Southwark has gone from being the 17th most deprived borough in England in 2001, to the 26th most deprived in 2007, to the 41st most deprived in 2015. To what extent has the VCS considered what this means and what new fresh challenges this poses?
37. There are many examples of successful partnerships and pooling of resources both across the council and with our partners, including neighbouring boroughs. This includes the work across Lambeth, Lewisham and Southwark councils on the Better Placed project which helps people who are struggling to find employment get into sustainable jobs.
38. The south London community budget is one of several projects around the country being supported by the Public Sector Transformation Network, a government programme which encourages organisations to work together to deliver place-based services. Ultimately the projects should reduce the cost of services to the public purse by spending money more effectively; in this case, getting people into sustained employment will reduce the need for benefits, as well as helping the individual and their family.
39. A number of key headline changes are already underway or in development that address key recommendations. These are set out in paragraphs 40 to 63.
40. The prime development is that council officers, CCG officers and representatives of the VCS locally have expressed a strong interest in developing more joined up services and better integration of VCS activities with statutory provision to improve the quality of life of local communities. This provides an opportunity to work together on a new joint voluntary sector strategy that sets out the vision and direction of travel for the partnership going forward. The key principles on which to build this strategy could be:
 - A recognition of the significant financial challenges across the partners meaning that we must reduce duplication between services, commission efficiently and reduce demand on more intensive interventions such as hospital based services and care homes. The approach is to invest in enabling people to remain healthy and independent in their own homes and communities.
 - The need to focus on outcomes for our residents and work that integrates services to improve the quality and experience for users. The need to work

together across the council, CCG and VCS on services that best support our residents and communities and provide services that offer all residents support appropriate to their needs in their local area so that Southwark is a fairer place where everyone is able to fulfil their potential and access the opportunities that living in Southwark presents.

- The need to work with the VCS to provide innovative solutions and high quality services that improve outcomes for people affected by complex social issues such as, mental health, domestic violence, and long-term health conditions. We need the sector to develop its work with particular population groups such as young people and elderly residents.
 - The need for a thriving VCS that mobilises community action and makes best use of community resources, skills, knowledge and spaces and improves residents access to opportunities, services and buildings that meet their needs and ensure no-one is left behind maximizing, our collective impact.
 - The need to work strategically across the partnership and wider community to build the capacity of the partners, promote volunteering and support fundraising.
41. As noted in paragraph 31 above there are many other ways in which the council and its partners support the VCS. A key part of a new modernised relationship is to take an approach that strengthens the resilience of the sector by finding new or better ways of supporting our local VCS that go beyond financial support. These other forms of support need to be within the scope of the strategy including reviewing the VCS premises strategy to look at how we use our property portfolio to support the VCS to achieve self-sustainability and take advantage of regeneration and development opportunities to find new ways of improving and providing community spaces that are efficient and fit for purpose.
 42. The council also supports preventative activity through its procurement activities and the work on the procurement strategy includes a focus on ensuring social value and community benefits through our commissioning, taking into account the Public Services (Social Value) Act 2012.
 43. To ensure a co-ordinated and more strategic whole council and CCG approach to the VCS, officers have been exploring the potential of bringing together commissioning from across the council into a single unit to include a significant part of services currently commissioned by the Clinical Commissioning Group. The intention is that it will result in improved co-ordination, reducing duplication and transactional costs and give a better understanding of the totality of services that are provided both statutory and discretionary. The intention is that this informs the 2017/2018 budget round.
 44. This makes 2016/2017 a transitional year. A number of actions are being taken to prepare the ground for this initiative, for example the current proposal to extend advice service commissioning within the Communities Division so that the current contract expires at the same time as the advice and advocacy that is commissioned by Children's & Adults Services so that officers and the sector can then explore the opportunity to bring these two together where it makes sense. We need a sector that can combine its capacity to reach more vulnerable residents to link them with professional advice services and mainstream provision.

45. Within Children's & Adults Services the current grant funded model that is known as Community Support Services was established in April 2012 to support older people and people with disabilities with the objectives of maintaining independence, health and wellbeing and effective personalised services. The programme currently funds the following 9 organisations as follows:

Information, access and advice	
Leonard Cheshire Disability	£90,000
SDA	£47,500
Age UK	£40,000
Southwark Pensioners Centre	£40,000
TOTAL	£217,500

Wellbeing	
Lambeth Mencap	£41,000
Lambeth Family Link	£28,300
Blackfriars Settlement	£28,300
Age UK	£28,300
Southwark Pensioners Centre	£28,300
Age UK – Yalding	£110,000
TOTAL	£264,200

Social Interaction Support	
SDA	£32,500
Lambeth Family Links	£16,700
Dulwich Helpline and Southwark Churches Care (now known as LinkAge Southwark)	£65,000
Time and Talents	£32,500
Blackfriars Settlement	£32,500
TOTAL	£179,200

OVERALL TOTAL	£660,900
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46. The services within the community support structure generally were developed as a response to the challenges faced by Adult Social Care in terms of personalisation and budget reductions. The model was developed to respond to these twin challenges and to support the council's efforts to improve the resilience and support networks of residents of the borough.
47. The services have been in operation for almost 4 years and are due to cease at the end of March 2016. All current funding for these services sits within the Better Care Fund (BCF).
48. There is recognition that future services must take account of and complement the wider prevention offer commissioned by the council and the NHS Clinical Commissioning Group and therefore are part of the work in consolidating and co-ordinating commissioning.
49. There are other potential sources of funding that could be pooled into this budget. All sources are listed in the table below. Final agreement on the total amount for this grant process will be determined prior to launch. These are set out in the table below:

Source of funding		Lead Commissioner	Amount (per annum)
Community Support Services Grant	BCF	LBS	£780,000
Prevention and Inclusion budget	ASC	LBS	£500,000
Mental Health budget	CCG	SCCG	£55,471
	ASC	LBS	£44,529
Carers Support Services	BCF	LBS	£660,000
Self Management	BCF	SCCG	TBC
Other Preventative services	CCG	SCCG	TBC
TOTAL			£2,040,000

50. The inclusion of the budgets assigned to the two contracts that were not successfully awarded through the Carers Support Services tender allow the inclusion of support for Carers to be included in the broader preventative services programme.
51. There are a number of projects that fit under the banner of community based preventative services that are not funded through recurrent budgets and would benefit from being brought into a more secure funding process (see table below).

Services funded from time limited budgets that could be aligned	Lead Commissioner	Amount (per annum)
SAIL	LA / CCG	£100,000
Weathering Well	CCG / LA	£75,000
SWiSH	LA	£260,000

52. The SAIL (Safe and Independent Living) project is delivered by AGE UK Southwark and Lewisham as part of the COPSIN Collaboration. This project was funded through a two year grant from the Council ending at the end of March 2015, and has recently been supported by the Council and Southwark CCG by receiving a one off payment of £48,000 from the BCF allocation.
53. The SWiSH (Southwark wellbeing at home service) is a pilot project funded through the Prevention and Inclusion budget (historic Supporting People floating support funding) for 1 year to support people at risk of admission into hospital without a low level of support to support them to remain at home.
54. Aligning all of these budgets and funding sources creates a pooled budget in the region of £2,000,000 per annum. This fits within the remit of the work on co-ordination of commissioning and it is therefore recommended that the Cabinet agree to continue the current grant provision for one year as set out in paragraph 45 above to allow these services to be brought within the scope of the commissioning review so that it can be considered alongside the wider prevention offer commissioned by the council and the NHS Clinical Commissioning Group. The finance and governance arrangements for future pooling will be decided at a later date in a separate report.
55. The council is working in partnership with Southwark Funders which brings together local charitable funders in the borough to identify and deal with common issues and ensure that our respective funding stream priorities reflect local understanding of

the greatest needs. Building on this initiative, officers are now meeting with VCS representatives to consider the establishment of a Southwark Giving scheme similar to those in operation in other boroughs like Islington. These schemes aim to maximise resources and increase business engagement and community connectivity. Southwark is well placed to make this an effective initiative with its major business hub in the north of the borough and is also home to a thriving SME business sector. While there are already some examples of good practice, there is considerable potential in developing relationships between SMEs and community organisations to benefit local residents.

56. In October 2015 the Health & Wellbeing Board received a presentation on a draft council and CCG five year plan (Southwark Five Year Forward View) to be presented to the January 2016 meeting of the Board. The Plan relates to a shared approach to transforming the commissioning of health and social care services.
57. The Board endorsed the following key messages for this new plan which among other things aims to create a much stronger emphasis on early action:
 - Commissioners in Southwark are committed to improving the health and wellbeing of local people. The experience of staff, service users and carers suggests that the existing system does not consistently deliver the best outcomes for people, and that there could be significant improvements if we worked together in new ways.
 - This is a quality and value argument, it is not about cuts: if funding wasn't an issue we would still want to radically improve the system.
 - This will mean commissioning based on people's holistic needs rather than traditional approaches which result in provider silos and historic service models. Our local ambition is to create a much stronger emphasis on early action as well as stronger integration across health and social care, and wider council services (including education).
 - To support this transformation we will increasingly bring together commissioning budgets and contracting arrangements that incentivise system changes, focusing on assets and outcomes over inputs or activity.
 - In addition, we will increasingly move away from contracting with lots of different institutions for specific services and towards inclusive contracts which cover funding for the total health and care needs of a population (or a specific cohort of people with similar needs).
 - These contracts will be made available to providers that can demonstrate that they can bring together the various skills needed to meet the needs of the population, for example by working together as a network or consortium. Our aim is to support the development of multi-specialty community providers serving populations of 100,000-150,000 people.
58. Council, CCG and VCS officers are currently scoping models for social investment such as DERIC (Developing and Empowering Resources in Communities) which has a focus on developing, incentivising and empowering communities – building towards investment in a variety of platforms for collaboration and partnership. This model involves identifying cashable savings through new partnerships and commissioning processes. DERIC is a community interest company that operates as a Social Investment Finance Intermediary raising funding from a variety of public and private sources and investing these to achieve:
 - The development of new and innovative forms of community owned social enterprises

- Deliver outcomes that improve peoples' lives and enhance community control and engagement
 - Better use of public funding
 - Innovative use of commercial funding.
59. DERIC is currently working in Leeds (4 programmes), Belfast (1 programme) and Sandwell (1 programme) on a programme called Combining Personalisation and Community Empowerment (CPCE) that provides incentives for communities to deliver support to vulnerable people, delivering an enhanced quality of support, over time reducing the cost of providing social support that enables some savings to be reinvested in communities and reduces reliance on statutory services commissioned by local authorities and the NHS. The Leeds Local Links initiative has been in place since 1994 and established 37 Neighbourhood Networks supported by the City Council and NHS. The Networks are run and owned by local people and add extra services using community volunteering and other resources. Through CPCE Leeds has been able to develop this model gaining national recognition and developing a wide range of community support initiatives. While DERIC may not turn out to be the right model, officers will continue to explore the potential offered by initiatives of this kind.
60. CCG officers are currently working on a VCS Research Challenge Fund that awards small grants of between £5,000 and £20,000 per year to support targeted research that enhances understanding of informal care provision in Southwark with the intention of stimulating innovative work with local communities, improve engagement between statutory and community sectors and inform future commissioning strategy.
61. The Public Health Directorate is working with partners to carry out a council housing health needs assessment (CHNA) to identify key health issues among Southwark's tenants. The CHNA will inform the implementation of principle 4 of the Southwark housing strategy which states that Southwark wants to be more than a landlord by better connecting residents to the services they need to lead independent lives. Different data sources, for example, the housing database Iworld, information from tenancy management organisations, and yearly returns to the DWP on newly signed leasers (core data) will be combined and used to create a picture of the tenant's health. Engagement with tenants will round off this picture, and the results of the analysis will then inform the development of a range of services to better support people with housing health needs.
62. This initiative is one example of how the transition of public health responsibilities to local government in 2012-2013 can contribute to more integrated working across professional boundaries that aligns with local priorities and seeks better outcomes for our residents. Public Health staff will inform and support commissioners in putting the principles of early action into practice.
63. On 20 October 2015 the Cabinet agreed a response to the Healthy Communities Scrutiny Sub-Committee's report on the Health of the Borough and noted the progress in taking forward the recommendations. This report concerned how the partnership between the council, NHS and voluntary and community sector is addressing the issue of health inequalities and improving the health of residents. The scrutiny review and responses covered financial health, environmental health and physical health and focused on actions relating to Public health that are part of the early action/preventative agenda.

64. The key areas of action for the partnership that were included in this response were:

- Working with the VCS on supporting financial health including access to good quality advice on financial management.
- Giving eleven year olds in Southwark a helping hand with their finances with the council Smart Savers initiative.
- Agreeing an action plan for working with the CCG, local GP practices and CAB services to provide financial health services in health centres in Southwark.
- Continuing to invest in our Parks and Green Spaces.
- Putting pressure on TfL to reconsider the scope for the ultra-low emission zone to include Southwark.
- Working to stop adults smoking in any of the 68 playgrounds in Southwark.
- Working on a major cycling marketing campaign that will be promoting the priorities in the cycling strategy.
- Promoting walking, cycling and more use of green spaces.
- Actively encouraging developers to consider interim use projects that contribute to improving the environment for Southwark residents during their schemes.
- Developing outdoor gyms in parks and open spaces throughout the borough.
- Extending the play street scheme that provides an ideal opportunity for engaging children in safe play near their homes.
- Review of the Statement of Licensing Policy to consider incorporation of public health related issues for example the sale of low cost high strength alcohol. Consulting Public Health on licensing applications and use by Public Health of a data tool that allows the geographical location of licensing applications to be assessed in relation to alcohol related violence and crime, hospital admissions, A&E attendances and ambulance call outs.
- Development of a Southwark Tobacco Control strategy. The strategy is being informed by local intelligence that is being gathered through data analysis, engagement with partners including the CCG, as well as deep dive community insights with residents. The strategy will also identify commissioning priorities for the council as well as the NHS. The Lambeth and Southwark Tobacco Control Alliance facilitated by Public Health continues to promote an evidence based tobacco control approach locally.
- A review of smoking across Southwark led by Public Health.
- Work with schools to discourage young people from taking up smoking.
- Tackling illegal tobacco in partnership with Lambeth, Lewisham, Greenwich, Bexley and Bromley including the launch of a joint South East London illegal tobacco campaign, "Keep It Out".
- The commitment to the London Living Wage and the Southwark Ethical Care Charter for homecare workers and their positive impact on the health and wellbeing of staff.
- Encouraging local employers including the voluntary sector to sign up to the Workplace Health Charter. The Charter provides a systematic process to improve the health of staff. This has also been negotiated with Public Health input into the tendering specifications for Southwark's leisure centres.
- Work on health impact assessments and mental health and wellbeing assessments as part of decision making.

65. The Troubled Families initiative is incorporated within the Families Matter approach to service delivery with vulnerable children and families. The Department for Communities and Local Government has given Southwark a target of working with

over 3,000 families between 2015-2020. This could potentially bring in funding of £7.2million to support service delivery and service transformation. Currently this programme commissions approximately £600,000 per annum from the Voluntary Sector to support families.

66. In spring 2014 the council selected the Multi-Agency Working and Alternative Delivery Models initiative as one of four projects for a Strategic Savings Programme which will contribute to meeting the council's significant target for budget reductions in 2015/16 onwards. The proposed Multi-Agency Working (MAW) team is part of the work stream for the corporate Strategic Savings Programme. Senior officers across a wide range of council services have now established a multi disciplinary team which aims to prevent individuals from ending up in high cost social care due to a lack of joined up working. From October 2015- October 2016 the pilot will work with 50 people who have been assessed as being on the fringe of high care cost with potential significant costs to the council, CCG and partner agencies. The cohort is drawn from council tenants who have a range of complex needs including: antisocial behaviour, mental health, substance misuse, disrepair, hoarding, high rent arrears. The pilot is exploring alternative therapeutic interventions which can be delivered through voluntary sector or community health care services. This aims to reduce costs via early intervention, bringing coordinating partnership responses to clients with complex needs and provide the council with an opportunity to evaluate the impact of tailored local interventions.
67. In July 2014 Cabinet adopted the Southwark Ethical Care Charter, and the council commenced negotiations with current homecare providers to, as of 1st August 2014, pay homecare workers for their travel time and, as of the end of October, to offer all home care workers a guaranteed level of working hours each week as an alternative to zero hours contracts.
68. By treating care workers in an ethical manner, care workers themselves are better equipped to provide the quality, personalised services and help which, in turn, enables those in receipt of care to live more independent lives.
69. In March 2015 Cabinet agreed a Gateway 1 report to procure all Home Care services in line with the Southwark Ethical Care Charter. In addition, the intention is to move towards locality working with health, through Local Care Network arrangements, to deliver better outcomes.
70. The council is currently concluding an extensive engagement programme (in partnership with Healthwatch and the VCS) which has included both care workers and people who use the service.
71. There is considerable support for the objectives of the council and a shared understanding of the need to distinguish Southwark's unique approach from traditional home care and work towards "care@home" being a kite mark to good quality and responsive support for an increasingly frail user group.
72. The council is seeing an improvement in quality since the Ethical Care Charter has been introduced in the directly contracted services and the engagement work undertaken to date has enhanced the council's relationship with the spot provider sector.
73. The council will soon be advertising for new home care contracts that will ensure that all spot purchased and children home care is fully covered by the SECC by the end of the next financial year.

74. The CCG have also been working to set up Local Care Networks (LCNs) within Southwark. LCNs bring together providers from across health and social care (including the VCS), to work together to address common challenges. By coming together, providers can look at the range of services that they provide for our populations and see how they can work better together to improve and integrate them.
75. Working as part of LCNs represents a culture shift in the way that providers collaborate. Traditionally providers have been paid to deliver services by commissioners and have been rewarded for the amount of activity (e.g. appointments, operations, home visits) they have undertaken. Whilst this approach has advantages, it does not reward providers for working together and can unintentionally lead to a situation where providers concentrate on the individual's immediate needs, without seeking to understand the underlying health and social issues that may be impacting on their wellbeing. Instead of paying for activity, commissioners would like to move to a model where providers are paid on the basis of the outcomes. This means that they will be rewarded for helping people to live happier, healthier and more independent lives – and this can only be achieved by working more closely together with each other and our local populations.
76. By having the VCS as a core member of LCNs, it will help facilitate improved working between the statutory and the voluntary sector, and ensuring that VCS services are integrated as part of patient and customer pathways.
77. Through LCN meetings, CAS have been exploring potential options regarding asset mapping and simple points of access to the VCS (building on the experience of the SAIL model) to make it easier for both statutory providers and for citizens to find out about, and make use of, the range of VCS services available in the community. This work will continue through 2016/17 and help inform the Voluntary Sector Strategy.
78. As part of its new approach to domestic abuse (DA), the council is expanding its prevention work. The overall aim is to promote healthy relationships and ensuring that potential victims, abusers and their family and friends are able to spot early warning signs of abusive behaviours and seek support before it escalates. There will also be a strand around abusers, talking about their behaviour, impact on others, the consequences and how they sought help.
79. This approach takes into account the fact that psychological and emotional abuse, as well as controlling and coercive behaviours, are more prevalent than, and usually precede, physical violence.
80. There are three strands to the prevention work currently being undertaken by the council:
 - a) Building community leadership
 - b) Work in schools
 - c) Building survivors' resilience.
81. In terms of building community leadership the council and partners have embarked in a DA awareness campaign branded #oktotalk.
82. This campaign taps into the idea that most people have experienced difficult relationships, whether directly or through a friend or family member, and it is by

talking to people they trust that they can find the strength and support they need to identify potentially damaging relationships before the risk escalates.

83. It also emphasises that DA can happen to anyone and that it is not necessarily physical. Officers have identified survivors to act as case studies and talk about their experiences, for example of being with a coercive partner or watching a friend treating their partner badly.
84. The campaign will use a combination of social media, council media and face to face community engagement to get these messages across, engaging with community leaders to spread these messages and advocate them as their own within their communities.
85. A domestic abuse strategy launch event was held in October 2015. A wide range of community leaders and representatives who reflected Southwark's diverse population attended. The subject was explored through a play and workshops. This ended with a call for action to sign up to a DA community champions programme. These volunteers will receive training in the coming months to become DA champions in their communities so that they can:
 - Recognise members of their community experiencing abuse or at risk of experiencing abuse
 - Give the right advice and signpost to specialist services for those who disclose experiencing abuse
 - Challenge cultural norms in their communities which may condone abusive behaviours
 - Increase chance of early intervention
 - Increase awareness of support available
 - Signpost individuals displaying abusive behaviours to the perpetrator programme and encourage change.
86. With regard to work in schools the council funds Insight to deliver the SHER (Safe Equal and Healthy Relationships) programme in Southwark secondary schools.
87. SHER is an educational toolkit to promote awareness of healthy relationships and combat domestic and dating abuse. It was developed by the council alongside with international partners as part of an EU funded project.
88. The pilot evaluation showed that SHER:
 - Increased awareness of what is and isn't a healthy relationship and that dating
 - violence is not acceptable
 - Prevented young people from becoming victims or perpetrators of DA in the future
 - Enabled self-assessment/examination of their relationships
 - Promoted understanding that they have choices about making positive changes and how to access advice on how to do it
 - Provided help and support if they are in abusive relationships or witnessing DA at home.
89. This year, the programme is on track to deliver target outputs and outcomes, with 117 pupils having already participated in the programme a further 200 pupils planned by the end of 2015/16.

90. The third strand of preventative work focuses on building survivors' resilience and takes the form of empowerment structured workshops and peer support groups which the SASS service offers to its clients. These programmes come under the banner WRAP (Women's Resilience Awareness Programme). The aim is to improve their understanding of domestic and sexual abuse and provide longer term practical and emotional support in order to build resilience. It also aims to prevent clients from having abusive partners in the future and prevent repeat victimisation.
91. The EAC report gives a number of examples of good practice working across the VCS, council and CCG partnership in both boroughs. The Southwark examples are set out in Appendix 2 of this report and demonstrate how the sectors are putting early action into practice. The case studies include:
 - Community development by Pembroke House in Walworth
 - Southwark Healthy High Streets (SHHS)
 - Paxton Green Time Bank
 - Southwark and Lambeth Integrated Care
 - Safe and Independent Living
 - Local care networks
 - Local Area Co-ordination
 - Knee High Design Challenge.
92. As these initiatives progress and are evaluated they form a strong basis for work on Early Action across the partnership moving forward.

Policy implications

93. In addition to the policy initiatives set out above, the recommendations of this report support a number of council policies and strategies, including:
 - Health and Wellbeing Strategy
 - Public Sector Equality Duty
 - Economic Wellbeing Strategy
 - Children and Young People's Plan
 - Homelessness Action Plan and Homelessness Prevention Protocol.

Community impact statement

94. The initiatives and recommendations of this report have a significant positive impact on the community and are intended to raise standards of community support across the three partners.
95. A full community impact assessment will be carried out on the development of the new VCS strategy which is a key recommendation of this report.

Resource implications

96. There are no additional resource requirements arising from the implementation of the recommendations within this report.

Financial implications

97. This document is a strategy and as such does not carry any immediate cost or

savings implications. However, it introduces future initiatives that form part of Multi-Agency Working and Alternative Delivery Models work stream as one of four projects for the Strategic Savings Programme which will contribute to meeting the council's significant target for budget reductions in 2015/16 onwards.

Consultation

98. One of the key recommendations of this report is the creation of a Joint VCS Strategy that will be "co-produced" by the council, CCG and VCS partners.
99. The Early Action Commission conducted research and consultation that included dialogue with local residents and community-based organisations, through a series of workshops, to tap into their wisdom and experience; interviews with experts working with local authorities and with VCS organisations, to explore ways of turning ideas for change into practical local action; and discussions of emerging findings with Health and Wellbeing Board members.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy

100. The decision maker should consider section 149 Equality Act 2010, which requires the council, in exercising its functions, to have due regard to the need to eliminate discrimination and other prohibited conduct and advance equality of opportunity and foster good relations between people who share a relevant protected characteristic and those who do not.
101. A full community impact assessment will be conducted on the development of the VCS strategy.

Strategic Director of Finance and Governance

102. The Strategic Director of Finance and Governance notes the strategy set out in this report, and the financial implications set out in paragraph 97.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Local early action: how to make it happen – report of the Southwark & Lambeth Early Action Commission	Housing & Modernisation, Communities Division, 160 Tooley Street	Stephen Douglass 020 7525 0886
Link: http://b.3cdn.net/nefoundation/a5845188d1801a18bc_3nm6bkn3b.pdf		
Response to Recommendations from the Scrutiny of the Health of the Borough	Housing & Modernisation, Communities Division, 160 Tooley Street	Stephen Douglass 020 7525 0886
Link: http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=5140&Ver=4		
Southwark Council and Clinical Commissioning Group - Joint Five Year Strategic Plan: Key Messages	Housing & Modernisation, Communities Division, 160 Tooley Street	Stephen Douglass 020 7525 0886
Link: Five Year Plan - Key Messages		

APPENDICES

No.	Title
Appendix 1	Local early action: how to make it happen – Summary and Key Recommendations from the report of the Southwark & Lambeth Early Action Commission
Appendix 2	Southwark Good Practice Examples from the Early Action Commission Report.

AUDIT TRAIL

Cabinet Member	Councillor Michael Situ, Communities and Safety		
Lead Officer	Gerri Scott, Strategic Director of Housing & Modernisation		
Report Author	Stephen Douglass, Director of Communities		
Version	Final		
Dated	28 January 2015		
Key Decision?	Yes		
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER			
Officer Title		Comments Sought	Comments Included
Director of Law and Democracy		Yes	Yes
Strategic Director of Finance and Governance		Yes	Yes
Strategic Director of Children's and Adults Services		Yes	Yes
Cabinet Member		Yes	Yes
Date final report sent to Constitutional Team			28 January 2016

APPENDIX 1

Early Action Commission Summary and Key Recommendations

5 Local early action: how to make it happen

Summary

Many of our biggest societal challenges – from childhood obesity to violent crime – are preventable. The Southwark and Lambeth Early Action Commission aims to find ways of taking local early action to improve people's quality of life and reduce the strain on public services.

Local authorities are under increasing pressure both to maintain essential services and to cut their spending.

A shift towards investing in upstream preventative measures, rather than spending downstream on treatment and care, is an effective use of public funds – particularly at a time when resources are severely restricted.

Southwark and Lambeth Councils recognise the potential benefits that a preventative approach can bring. In 2014 they set up the Southwark and Lambeth Early Action Commission to reduce demand for acute services and maintain wellbeing for all residents.

The Commission has examined local conditions in Lambeth and Southwark, especially the immediate and underlying causes of pressing local problems, and what works best to prevent them. It has carried out a review of local strategy, policy and practice; explored more than 30 examples of good practice in the two boroughs and further afield; and engaged with local residents and community-based groups and with other experts, through workshops and interviews.

The underlying causes of most social problems can be traced to the same set of social and economic challenges. Some of these, such as poverty and inequality, are linked with national policy, making it hard to tackle them locally. But there are plenty of opportunities for local early action to prevent problems by improving local conditions and social relationships.

The Commission has identified four goals for early action in Southwark and Lambeth. These are designed to address problems as early on as possible and focus on what can be done locally in the context of extreme budgetary constraints. To help achieve these goals it will be important to find additional resources.

6 Local early action: how to make it happen

- *Resourceful communities*, where residents and groups are agents of change, ready to shape the course of their own lives. To achieve this people need actual resources (but in the broadest sense), connections, and control.
- *Preventative places*, where the quality of neighbourhoods has a positive impact on how people feel and enables them to lead fulfilling lives and to help themselves and each other.
- *Strong, collaborative partnerships*, where organisations work together and share knowledge and power, fostering respectful, high-trust relationships based on a shared purpose.
- *Systems geared to early action*, where the culture, values, priorities, and practices of local institutions support early action as the new 'normal' way of working.

Recommendations

Effective early action depends on changing whole systems over a sustained period of time. To make a real difference, these recommendations must be pursued together and placed at the heart of policy and practice in both boroughs, building on the good practice that's already taking place.

We hope they are useful not only for Southwark and Lambeth but also for others trying to move towards local early action.

Stage 1: Prepare the ground

- *Establish senior leadership and commitment.*

Health and Wellbeing Boards must ensure that early action is a central feature of their strategy, with Board members firmly committed to implementing it. The Department of Public Health should play a key role in driving the changes.

- *Map assets across both boroughs.*

Asset mapping, already practiced in both boroughs, identifies human and social resources, which are abundant in every locality and play a vital role in early action. This should be strengthened to locate, develop, and connect local assets.

Stage 2: Find resources

- *Co-ordinate charitable funding for early action.*

Bring together independent funders across both boroughs to share knowledge about early action and work together to offer grants for activities that tackle problems systemically and further upstream.

- *Set up a dedicated Change Fund to support systems change.*

This could be financed partly or wholly by a suitable local grant-giving foundation and dedicated to stimulating profound changes in the way local systems are designed and operated.

8 Local early action: how to make it happen

- *Review and strengthen community returns from regeneration.*

Opportunities to generate funds through the sale of redevelopment sites, Section 106 negotiations and the Community Infrastructure Levy should be maximised, with funds used to prevent problems, for example through housing and spatial planning.

- *Pool budgets between organisations and departments.*

This can help to support early action and make resources go further, by consolidating existing funds and focusing them on early action, as well as strengthening collaboration between the boroughs, and sharing risks and rewards.

- *Tap in to community-based assets.*

Unlock human and social assets in the community, by working more closely with voluntary and community sector (VCS) organisations, and by applying the principles of co-production.

- *Make strategic use of social finance models, including Social Impact Bonds.*

These involve raising investment from the private sector to finance service provision (usually by the VCS). Social Impact Bonds are useful in limited conditions, especially as a tool for experimenting with new initiatives in the transition to early action.

Stage 3: Change systems

- *Classify spending to distinguish early action from downstream coping.*

Spending bodies should know whether the money they spend is allocated to coping with problems or to preventing them. Spending should be loosely classified – as a rule of thumb – adapting guidance from the Early Action Task Force.

- *Establish a long-term plan, across 5–10 years, with specific milestones.*

To avoid local systems defaulting to downstream coping, leading decision-makers and budget holders in Southwark and Lambeth should commit to a step-by-step transition to early action, over the longer term, with specific milestones.

- *Commit to shifting a significant % of spending each year to early action.*

Both boroughs should commit to shifting a specific – and significant – proportion of total spending each year towards early action. Targets should be subject to yearly revision but we suggest 5% as an initial goal.

- *Establish clear oversight arrangements, with regular monitoring and reporting.*

Health and Wellbeing Boards should oversee the shift to early action, supported by Public Health, with a shared evaluation framework and regular progress reports, with the first no later than November 2016.

9 Local early action: how to make it happen

- *Transform the commissioning process to support early action.*

Decisions about what services and other activities are required should be taken in partnership with local people, with commissioning focused on assets, on how to prevent problems and on outcomes, and encouraging collaboration.

- *Develop a shared evaluation framework.*

For use by VCS grant-holders and contractors, and public sector bodies, this would establish a theory of change reflecting a shared understanding of early action, and shared criteria for monitoring progress, including wellbeing indicators.

- *Assess community assets alongside needs.*

Asset assessment should be integrated with the Joint Strategic Needs Assessment (JSNA), changing the focus of data collection to generate a more rounded view of the local community and higher priority to early action.

Stage 4: Change practice

- *Improve connections, co-ordination and knowledge-sharing.*

This involves linking people and organisations, improving communications between them, and enabling them to exchange information, build a shared sense of purpose and complement rather than duplicate each other's efforts.

- *Forge stronger partnerships and more integrated working.*

Stronger partnerships, promoted through information-sharing and the commissioning process, as well as by pooling budgets and more integrated working, should strengthen the momentum towards early action.

- *Create and support more spaces for people to get together.*

There should be more opportunities for people in Southwark and Lambeth to use parks, open spaces, schools, underused public buildings and empty properties for meeting each other, building networks and doing things together.

- *Make more use of 'place-shaping' powers to support early action.*

Councils should use their powers to create the conditions that help to prevent problems, working with local people and building on existing good practice in the two boroughs.

- *Devolve more power to neighbourhoods.*

Local councils and their partners should look for ways of devolving more power and resources to communities and community groups, and transferring community assets to residents.

10 Local early action: how to make it happen

- *Promote and support local early action.*

Health and Wellbeing Boards and their constituent bodies should support local preventative initiatives and draw out lessons that can stimulate similar action elsewhere and contribute to wider, systemic changes.

- *Increase participatory budgeting.*

This aims to deepen public engagement in governance by empowering citizens to decide on how public funds are spent, engaging citizens in democratic deliberation and decision-making.

- *Promote and apply the principles of co-production.*

Co-production, already applied in some programmes and initiatives in both boroughs, should become the standard way of getting things done, encouraged through commissioning and adopted by choice in all sectors.

- *Strengthen the focus and funding of the VCS in Southwark and Lambeth.*

The local VCS should be encouraged and supported to strengthen its focus on upstream measures, and to adopt an inclusive and participative approach to their activities. Funding should be better co-ordinated and directed at early action.

APPENDIX 2

Early Action Commission Southwark Case Studies

Case Study 1: Community development by Pembroke House in Walworth

Pembroke House is a community centre in Walworth that has recently adopted an innovative asset-based community development approach to engaging local residents. In an attempt to reach deeper into, and activate, the local community, Pembroke House complemented asset-mapping exercises by hiring a trained community organiser. Resourced by United St Saviour's Charity and a government grant, this community organiser is tasked with building 'face-to-face' relationships with local residents and, in turn, providing opportunities for these residents to build relationships with one another. In the first few months, the organiser held more than 300 individual conversations with local residents, exploring their needs, priorities, and concerns with a view to supporting them to take action with others who have similar ideas. This produced some swift results.

An individual living opposite the community centre initiated a new Co-Dependents Anonymous meeting, while residents who were concerned that there was not enough local youth provision took it upon themselves to establish a bi-weekly 'community fun club' for young people and their families to eat, talk, and play together. This was born out of a series of meetings of local residents. First, parents and other concerned adults met to discuss options for new local youth programmes. Recognising that there were no young people at the meeting, however, they invited their children to join the discussion. At this second meeting, the families enjoyed the opportunity to be together so much that they began meeting on a regular basis. Between sessions a core group of volunteers young and old – meet to plan the following week's activities.

Organisers at Pembroke House see this approach to community development as a first step in strengthening the local social fabric to develop local residents' resourcefulness and ability to organise and engage in collective action. They show that asset-based community development has potential to improve the lives of people, and how the public sector can play an enabling and supportive role.

Case Study 2: Southwark Healthy High Streets (SHHS)

SHHS aims to bring together public health, planning, licensing, trading standards, and transport, as well as work with local communities, to explore ways of changing Southwark's high streets to help make people's lives healthier. Its key objectives include promoting a healthier eating and living environment through restrictions on the number and distribution of fast food and licensed outlets, betting shops, and pay day loan companies; promoting active travel through high street design – including a good cycling infrastructure, bike hire, and walking opportunities; supporting communities to make use of underused public spaces; and supporting the high street revitalisation programme in Southwark.

These work-streams are a good example of upstream ambitions because they look at the high street holistically. SHHS illustrates place-shaping ambitions in that it moves beyond an understanding of problems arising from decisions of

individuals, to the local conditions that shape their behaviours and choices. It is also an example of partnership working and building on assets: the initiative brings together and co-ordinates people and organisations from different sectors and provides funds for community organisations to develop and implement ideas for healthy high streets.

As such, SHHS place-shapes by bringing together the regulatory power of local bodies (e.g. in restricting certain shops) and creativity of the community through funding local initiatives.

Case Study 6: Paxton Green Time Bank

Paxton Green is one of the largest GP practices in South East London, which uses time banking as a way to complement clinical services with peer support and skill sharing. People who live in the area, whether they are registered patients or not, can get involved in the mutual exchange of activities that are delivered by members of the time bank. These range from simply providing transport to health and other services, to a variety of social and cultural activities – all depending on the skills and desires of members. Time banking generates connections between residents and helps to enrich the social fabric of a community, so that people become less isolated and less dependent on state services. The approach is no panacea: it relies on people's participation and people can let each other down – sometimes seriously. But when successful, it can transform people's lives for the better and in doing so prevent problems from arising. There is much evidence suggesting that community-based approaches such as time banking improve people's self-confidence and wellbeing – thus avoiding ill health and social harm.

Case Study 9: Southwark and Lambeth Integrated Care

The Southwark and Lambeth Integrated Care (SLIC) programme aims to join up care services and agencies in ways that help to improve the health of people in Lambeth and Southwark. Launched in 2014, SLIC was one of the first major integrated care schemes in the UK. The programme includes general practices, community healthcare services, mental healthcare services, local hospitals, and social services, and aims to integrate and co-ordinate the services offered by each in person-centred ways, enabling people to take a more active role in their own health. SLIC also aims to enable joint commissioning through pooling health and social care budgets, and forms an important part of Southwark and Lambeth's 'Better Care Fund' plan – the NHS's national programme to integrate health and social care. SLIC works with Lambeth's Citizens Board to mobilise a 'citizens' movement' to raise awareness about why services need to change, to get more people involved in co-designing better local services, and to play a central role in co-producing better outcomes.

Case Study 10: Safe and Independent Living

In Lambeth and Southwark, Safe and Independent Living (SAIL) is a social prescribing scheme delivered in partnership with Age UK. It aims to build and maintain a list of activities and services offered by the local voluntary and community sector (VCS). SAIL works through a simple yes-or-no questionnaire, which acts as a guide for anyone working in the community to quickly identify an older person's needs. Each question is associated with a partner agency, so a

‘yes’ to any question operates as a flag to bring that person to the attention of that particular organisation.

All partner agencies have agreed to accept all referrals through SAIL and to contact the client within two weeks of being notified. Age UK acts as the hub for the scheme across both boroughs, receiving completed SAIL questionnaires, forwarding them to the appropriate partner agency within 24 hours of receipt, and following up the referral with the older person to ensure their needs are met. In this way, SAIL integrates health activities and services offered by the public and voluntary sectors. It is a good example of how partnership working can contribute to early action through signposting and communication.

Case Study 11: Local care networks

Local care networks (LCNs) integrate health and wellbeing services and activities provided by the public and voluntary sectors in order to shift from a clinical to a more holistic and person-centred approach to local health.

At the time of writing, LCNs are being implemented in Lambeth and Southwark. They encourage greater collaboration between GP practices and form the basis for integration between primary care and other services – particularly community nursing and social care and elderly and early years services. LCNs are an example of ambitions for improved asset-based and partnership working in health. They also aim to embed approaches recommended in this report within their service delivery such as ‘every contact counts’, social prescribing, pooled budgeting across public agencies, and co-production. The networks are expected to increase personal resilience and reduce dependency on downstream services. Much energy across both boroughs is being focused on developing LCNs. Although it is too early for evidence of success, they have real promise as a vehicle for early action.

Case Study 12: Local Area Co-ordination

Local Area Co-ordination (LAC) is an asset-based approach to empowering people with disabilities and other needs, improving their lives, and preventing them from developing worsened conditions. Local workers – known as Local Area Coordinators – act as a single point of contact for people with disabilities and their families in a defined area.

Their role is to enable people to develop their own skills and capabilities, to help them access existing local resources and networks and, where these do not exist, work to build them. Co-ordinators work as capacity builders and sign-posters, and help to integrate public services with voluntary and community activity in ways that are shaped around the needs and aspirations of people who use these services. Crucially, the starting point is to identify with the individual what they can do to improve their own wellbeing and achieve their own aspirations with support from within their local community. In Lambeth, the model already forms part of the Living Well Partnership’s plans to personalise recovery and support plans for those suffering from mental and physical disability. This approach is an important feature of plans to develop Local Care Networks (Case Study 11) in both boroughs.

The process was pioneered in Australia, where it focused on people with disabilities and special needs. In the UK it has been most fully developed in Middlesbrough, where it has included people with lower-level needs. Because it seeks to build on people's strengths and to develop community capacity, it can help to prevent people from developing more complex needs. The LAC model yielded impressive results in Australia, where it was seen to have delivered a 30% reduction in costs by keeping people from using more acute services. The greater universality of coverage in Middlesbrough could multiply these savings, by picking up a wider range of people with multiple low-level challenges before they trigger demand for acute services. It has been recommended that Local Area Co-ordination is rolled out throughout the UK.

Case Study 13: Knee High Design Challenge

The Knee High Design Challenge is a partnership between Guy's and St Thomas' charity and Lambeth and Southwark Councils. It sets out to find, fund, and support people with new ideas for raising the health and wellbeing of children under five. The programme aims to address problems that public health has failed to address by reducing inequalities in children's development when they start school. It offers an opportunity for local people, whether residents, social workers, parents or others, to propose ideas and provides support to turn these into investable ventures.

Children and families are involved at every stage in the development and testing of new products, services, and initiatives that are beginning to be used throughout Southwark and Lambeth. Launched in 2013, the initiative received 190 initial applications, out of which 25 'design teams' were funded with £1000 each to further develop their ideas. After testing ideas with families, six teams receive a larger grant (£41,000) to deliver the project and develop a sustainable business model. Since the autumn of 2014 these six project teams have been developing projects.

One example is the 'pop up parks' project, which arose from the Design Challenge. This seeks to engage local communities in the creative use of open public spaces to design and install temporary park facilities where children and families can spend time playing. Although 'pop-ups' usually last for one day, the aim of the initiative is to transform attitudes to urban public spaces and make greater use of them.

Item No. 22.	Classification: Open	Date: 9 February 2016	Meeting Name: Cabinet
Report title:		Southwark's Digital Strategy	
Ward(s) or groups affected:		All wards	
Cabinet Member:		Councillor Fiona Colley, Finance, Modernisation and Performance	

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

I am delighted to present Southwark's digital strategy for cabinet approval. This strategy has been led by Councillor Radha Burgess, the council's deputy cabinet member for digital strategy. Her unique role demonstrates how committed Southwark Council is to becoming a truly digital council and a digital borough.

The strategy explores the value digital can bring and the challenges we will inevitably encounter. The arguments for going digital are persuasive, especially in the current economic climate and immense budget challenge facing the council. This is a key factor in our realisation that no amount of "salami-slicing" of costs can deliver the services we need. Instead, it requires a radical re-imagining of how we deliver services and manage operations. If we embrace digital, the potential is enormous: reduced costs, increased efficiencies, better interactions with residents, better use of data and - the great prize - improved outcomes and better lives for the people we serve.

RECOMMENDATIONS

1. That the Cabinet approves Southwark's Digital Strategy as per Appendix 1.
2. That the Cabinet notes the Digital Strategy summary as per Appendix 2.
3. That the Cabinet notes the Equality and Health Analysis as per Appendix 3.
4. That the Cabinet notes the Digital Strategy will be a regularly reviewed document that will be updated, following the present iteration, to reflect the needs of our customers and the ambitions of the council.

BACKGROUND INFORMATION

5. Southwark Council is embracing digital as an opportunity to transform how we deliver services and interact with our customers. In doing so we can realize resource efficiencies and financial savings and be in the best position to provide an excellent digital service for customers that is reliable, safe and consistent.
6. Southwark's Digital Strategy is the first document of its kind at Southwark Council and the impetus for digital transformation. There are two key aspects to Southwark going digital: becoming a digital council and developing a digital borough.

7. A digital council focuses on understanding the needs of our customers and putting them at the center of all digital design and change, using customer feedback to continuously review and update our services. This is a new way of working for the majority of the organisation and this approach must underpin an accepting, digital culture within the organisation in order to be successful. In rethinking and delivering digital services we must also support those in our community who may be digitally excluded: not having access or the skills to use digital services.
8. In developing a digital borough we will continue to work closely with our communities, increasing access to digital infrastructure by improving accessibility and usability of the digital services we provide. Minimizing digital exclusion is a key focus and we will continue to work with parts of our communities likely to be excluded to support the development of digital capabilities and confidence.
9. Going digital is less about IT technologies and hardware and more about developing a culture within Southwark Council and beyond into our communities that embraces digital as the norm, internally using digital tools as part of service design and choosing digital as a legitimate way of communicating with all of our customers. The technologies we use are important to enable this change and the detail of how we will do this will be addressed in a separate Technology Strategy led by IT.
10. Our digital vision is to use technology in our operations and service delivery to improve outcomes and the lives of the people we serve. By improving our digital services customers will move away from traditional methods of contact by choice-‘digital by default.’
11. The case for digital in Southwark is compelling. There are significant benefits Southwark can realize by actively improving our digital offering.
 - The minimization of waste and duplication of internal processes
 - We can create and maintain a web presence that customers choose to consistently use
 - Make financial and resource savings across the organisation
 - Reinvest savings and resource into supporting the vulnerable in our communities.
12. Having regularly conducted surveys of our residents four specific groups have been identified who are more likely to be digitally excluded: residents over 60 years of age, disabled people, council tenants and the unemployed or those in low income jobs. Approximately 40,000 Southwark residents do not have the skills to perform basic tasks on the internet. A key objective of the digital strategy is to work with these parts of the community to minimize the likelihood of digital exclusion.
13. The context for digital change across government is the Government Digital Strategy of 2012. This central government strategy estimates savings between £1.7 and 1.8 billion per year from moving services from offline to digital channels. A key part of this saving is attributed to transactional services such as online payments. A further impetus for change in Southwark are the impending financial cuts to the council budget and the recognition that we need to radically rethink how we deliver services in order to meet budgetary commitments without compromising vital services.

14. To enable the digital by default approach and to act as a digital council we will:
 - Establish a standardised approach to digital service redesign
 - Utilise corporately endorsed digital tools: online application forms (eforms), digital payments, Customer Relationship Management IT system and My Southwark
 - Streamline internal, manual processes and scrutinize back office systems
 - Make best use of IT infrastructure to enable sharing of non sensitive data across departments
 - Share our experiences and lessons learnt from engaging with customers and from enabling change.
15. The strategy is centered around four digital principles that will guide Southwark Council in all digital change: customer led service improvement, digital culture, digital inclusion and continuous improvement.
16. **Principle 1 - “Putting the customer at the centre of digital change”**
 Many of the ways we work as an organisation have been designed to reflect our internal structures and reflect processes that have built up over time. We will change this by putting our customers at the centre of the way we work. We will put ourselves in the customer's shoes and re-imagine services around them, using digital tools to make their experience of interacting with us smoother and quicker. We will develop relationships with our customers where they feel confident that the feedback they provide will be acted upon.
17. **Principle 2 - “Putting digital ways of working at the heart of our organisational culture”**
 We will change the way we think of ourselves as an organisation by embedding digital ways of working at all levels of our organisation. We will build our digital capability, encouraged by our senior managers, by investing in our infrastructure and the skills of our workforce. Wherever possible, we will make digital ways of working part of everyone's day jobs and cultivate an environment of digital self-confidence and capability. We will provide a digital infrastructure that staff can rely on to make their jobs easier.
18. **Principle 3 -“Ensuring that everyone can share in the benefits of digital change”**
 As we change the way we work, we will ensure that our customers are not left behind and unable to access the services and support they need. We recognise that the most vulnerable in our community may need extra help. By doing things more efficiently through digital, we can make best use of our time and expertise, reinvesting it into supporting the vulnerable of our community in accessing our services.
19. **Principle 4 - “Committing to continuously improve our services”**
 We will take an iterative approach to maintaining and improving our services by making small and incremental improvements. Instead of completely rethinking our approach every few years, we will regularly check in with our customers and obtain feedback so we can continuously improve our services. In doing so we can save money by minimizing the need to overhaul and redesign our services from scratch every few years.
20. Five priority areas have been identified as a focus for organisational change: a

transformed website, making best use of digital infrastructure, smarter ways of working with business intelligence and analytics, digital inclusion and digital communication.

21. In order to promote and support digital delivery and the Digital Strategy in Southwark a number of key follow up activities will be carried out including: establishing a governance and performance framework that will create uniformity across the organisation, identify and implement success criteria to measure success and customer satisfaction; advocate for each service area to develop a Digital Action Plan; and publishing a series of key documents for service managers and change agents within the organisation to enable digital transformation amongst many other activities. External to the organisation, engagement with the business community and entrepreneurs of Southwark will further support the promotion of digital in the borough.
22. The Digital Strategy is a guide for service managers to lead digital service design and transformation and how best to play a key part in developing a digital culture within Southwark Council.
23. The Digital Strategy will be a live document that is regularly reviewed and updated to reflect the needs of our customers and the ambitions of the organisation.

KEY ISSUES FOR CONSIDERATION

24. Supporting documents to the Digital Strategy, relating to digital transformation, will be published for service managers and other change agents within the organisation. These will include detailed information on subjects such as digital payments, channel shift and guidelines for the main, corporate website.
25. A separate Technology Strategy specifically addressing access to and best use of IT infrastructure, including plans to future proof infrastructure in line with our digital ambitions as set out in the Digital Strategy, will be published in 2016.
26. Monitoring and evaluation metrics to measure the impact of the Digital Strategy on internal and external customers will be identified and implemented.
27. The Digital Transformation Programme will be the corporate mechanism for coordinating and monitoring digital change projects across the council as delivered by service areas.
28. The Transformation team will provide support and expertise to enable services to design and implement digital service improvements. These improvements will enable service areas to realize efficiencies and financial savings and improve customer experiences.

Community impact statement

29. The Equality and Health Impact assessment for the Digital Strategy is attached as Appendix 3. The impact assessment, like the Digital Strategy, is a living document and will be updated as more data and evidence is collated on the protected characteristics. It will be a requirement of all major digital projects established as a result of the strategy, to conduct impact analyses, as led by service areas, in order to mitigate any potential negative impacts of introducing

digital change.

30. As the Digital Strategy is an impetus for digital change within the organisation it is expected that a number of digital projects across the organisation will be introduced. For all major existing and future digital projects, service areas will be required to carry out an impact assessment to fully understand how various parts of our communities will be affected by the introduction of a digital service. Greater emphasis will be placed on those projects looking to phase out and close traditional engagement methods, the implications of such changes and the measures to be put in place to support the vulnerable in our communities to continue to access services.

Financial implications

31. The document is a strategy and as such does not carry any immediate cost or savings implications. It is expected however that the many projects flowing from this strategy will incur costs as well as produce efficiency savings, although the timing of costs and savings will not always coincide. Any costs incurred prior to efficiencies will be funded by existing project budgets, or if this is not possible, by corporate reserves. Efficiencies will be dealt with by way of the budget setting process.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy

32. The strategy provides a high level framework to facilitate the council becoming a 'digital council'. The Government Digital Strategy of 2012 set the scene for digital change.
33. The implementation of digital strategy will need to ensure that the council comply with relevant legislation such as Data Protection Act.
34. In addition the implementation will need to have regard to the council's duties regarding best value and its duty under section 17 of the Crime and Disorder Act
35. The digital strategy has an Equality and Health Impact assessment attached in appendix 3 and in addition states that the strategy will require all major digital projects established as a result of the strategy, to conduct impact analyses, as led by service areas, in order to mitigate any potential negative impacts of introducing digital change.
36. The cabinet should have regard to this assessment when considering the council's duty under the Equality Act 2010 ("the Act") which requires the council to have due regard when taking decision to the need to:
 - Eliminate discrimination, harassment, victimisation or other prohibited conduct;
 - Advance of equality of opportunity between persons who share a relevant protected characteristics and those who do not share it;
 - Foster good relations between those who share a relevant characteristic and those that do not share it.

37. Of particular regard are issues of age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation.
38. Having due regard to the need to advance equality of opportunity is further defined in the Act as having due regard to the need of:
- Remove or minimise disadvantages connected with a relevant protected characteristic
 - Take steps to meet the different needs of persons who share a relevant protected characteristic
 - Encourage persons who share a relevant protected characteristic participate in public life or any other activity in which they are under-represented.

Strategic Director of Finance and Governance

39. The strategic director of finance and governance notes the strategy set out in this report, and the financial implications set out in paragraph 31.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

APPENDICES

No.	Title
Appendix 1	Southwark's Digital Strategy (circulated separately)
Appendix 2	Southwark's Digital Strategy Summary (circulated separately)
Appendix 3	Southwark's Digital Strategy: Equality and Health Analysis(circulated separately)

AUDIT TRAIL

Cabinet Member	Councillor Fiona Colley, Finance, Modernisation and Performance		
Lead Officer	Gerri Scott, Strategic Director of Housing and Modernisation		
Report Author	Heena Greenleaves, Project Manager		
Version	Final		
Dated	28 January 2016		
Key Decision?	Yes		
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER			
Officer Title	Comments Sought	Comments Included	
Director of Law & Democracy	Yes	Yes	
Strategic Director of Finance and Governance	Yes	Yes	
Cabinet Member	Yes	Yes	
Date final report sent to Constitutional Team		28 January 2016	

Item No. 23.	Classification: Open	Date: 9 February 2016	Meeting Name: Cabinet
Report title:		Gateway 0: IT Managed Services Sourcing Options	
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

I'm delighted that not only is this Gateway 0 report an important step towards turning our new Digital Strategy into action, but that it is also delivers on our commitment to introduce this earlier stage of Cabinet consideration of service delivery options for large scale contracts in line with the Overview & Scrutiny Committee procurement review.

Our new Digital Strategy commits us to becoming a digital council that puts digital ways of working at the heart of our organisational culture. We need to build our digital capacity by investing in our infrastructure and the skills of our workforce.

Our current contract for a fully managed IT service with Capita is due to expire in January 2017 with an option to extend for three years. Having carefully considered Capita's extension bid we have concluded that this is not the best way to support the council's needs and ambitions.

This report contains a broad assessment of the IT sourcing options for Southwark as they are currently available. Of the options assessed, the best fit with our Digital Strategy and the need for improved service levels and increased agility is to let a number of smaller IT contracts for specific service areas using the best government framework for this purpose.

Recognising that in order to support a multi-vendor approach, a strengthened in-house IT team is also needed with increased skills in managing suppliers, managing projects and defining the technology solutions that best support Southwark's needs.

External support is being sought to assess and stimulate the market, assist with defining the scope of each contract and to take the council to the point of procurement for a number of separate IT service contracts.

Timescales for this procurement are tight so to mitigate this risk and to ensure a smooth transition the council is also negotiating a short six month extension with Capita.

RECOMMENDATIONS

It is recommended that:

1. Cabinet notes the contents of this report and the intention to present a Gateway 1 report for consideration to the April Cabinet.

2. Cabinet endorse the work by officers to progress the option to design and procure a multi-sourced IT service to replace the existing single supplier IT managed service.
3. Cabinet notes that the timescale to procure and transition to a multi-sourced service is challenging and to mitigate this officers are discussing a 6-month extension option with Capita, the council's current IT managed service supplier.

BACKGROUND INFORMATION

Purpose of Report

4. This report provides an overview of sourcing options for IT managed services and the developing procurement strategy. A Gateway 1 report will be tabled to fully outline the recommended procurement route.
5. In October 2012 Capita was awarded the contract to provide a fully managed IT service. The contract runs from 1st February 2013 for an initial period of four years, with the option to extend for a further period of up to three years.
6. The IT managed service supplied by Capita covers a multitude of service elements. These can be divided broadly into:
 - a business as usual service: delivering a service desk, service management function and IT infrastructure comprising over 7000 fixed and mobile devices and supporting over 4000 staff working at over 100 locations
 - programmes and projects: undertaking and implementing change to maintain the existing service and deliver new and improved services.
7. A key element of the contract was investment in a number of critical service improvement projects – the “core enabling programme”. The purpose of this was to retire older hardware and systems and move the council's IT onto a modern, efficient, flexible and more easily supported IT platform.
8. In considering the current service we note that; whilst a significant proportion of the planned IT service improvement work within the core enabling programme has now been completed and many of the contracted services are delivered effectively, the IT managed service has not fully met expectations.
9. Throughout the 3 years of the contract to date demand for IT service improvements and change has exceeded capacity. This has been in large part due to the delay in delivering the core enabling and transition programmes which both required significantly more resource than originally envisaged. The delays to the programmed improvement work resulted in an extended period of running on older hardware and software and, consequently, in rates of failure and downtime which were higher than expected.
10. Whilst the contracted service levels are now broadly met each month there is an acceptance by both parties that delivering the required quality of service within the current budget and contract arrangements is challenging.

11. Separately, it is considered that the outsourcing of a number of key IT skills and competencies from the council's IT team resulted in a lack of retained expertise and that this made the council over reliant for technical advice and programme management on the managed service supplier.
12. Feedback in the 2015 corporate staff survey shows overall customer satisfaction with the IT service as a whole is low, with 25% of respondents citing poor IT as impacting their ability to work¹.
13. The staff survey results accord with the recent LGA peer review of Southwark which, whilst setting out the importance of IT as a key function in driving improvement and change across the council, noted how currently IT can inhibit people's ability to work effectively.
14. With 12 months remaining of the initial 4 year contract period officers are considering the current and future IT service requirements of the council and options for sourcing these.

Future service requirements and considerations:

15. Access to a reliable, responsive and fit for purpose IT service using modern devices, whether that is from a fixed location or mobile, must be considered as an essential service requirement. From a simple user perspective - IT just needs to work - all day, every day.
16. The proliferation of digital services brings with it increasing customer expectation that council services will be available online and accessible 24*7 from their chosen device. The need to transform business services to meet this expectation, make them more accessible to online and mobile customers, improve front and back office integration and reduce manual processing are key elements of the council's digital strategy².
17. Delivering the digital strategy will require IT services that have significantly increased reliability, accessibility and usability than is the case at present. Services need to be implemented or updated with far greater speed and agility than has been the case previously. The council's current infrastructure is considered inadequate to meet the digital challenge and will require significant development and updating in order to do so.
18. In reviewing IT sourcing and delivery models we can identify a number of trends. There is some move away from large single supplier IT managed service contracts, driven often by the common experience of the service not meeting changing business requirements, and increasing adoption of a multi-sourced (multi-supplier) service model. This is promoted by the Cabinet Office's Crown Commercial Services and Government Digital Service as a model way in which to procure IT services.

¹ An IT service specific staff survey is planned for early 2016 to better inform this.

² Digital Strategy has been completed but requires Cabinet approval

19. The multi-source model segments the IT service into a number of service areas or “towers”, with each delivered by a partner best able to fulfil requirements. This results in typically 3-8 suppliers replacing an existing single managed service provider. The multi-source model enables a hybrid approach to support and development, maintaining existing key application partner relations whilst facilitating access to smaller companies with the ability to deliver transformative work at pace.
20. Whilst the multi-source model largely mitigates one issue with a single supplier arrangement where the supplier may be unresponsive but seen as too big to fail, it must be recognised that managing multiple suppliers brings challenges of its own with an increased requirement for effective service integration and supplier management.
21. Other trends include; shared services, with a number of London Boroughs looking to share IT and in some cases wider back office functions, and increasing uptake of “Cloud” - hosted IT services including those for a single application (software-as-a-service or SaaS) and those providing common infrastructure services (infrastructure-as-a-service or IaaS).
22. Looking forward, the council’s future reliance upon and demand for IT services will only continue to increase in both scale and pace, especially so when implementation of the council’s digital strategy is considered.
23. A key consideration in responding to service department’s technology requirements and the council’s digital strategy is that despite some of the investment and improvement works undertaken over the past 3 years, significant parts of the council’s IT estate are at or near end of life and overall the service lacks the quality required.
24. Our key objectives therefore must include;
 - a redefinition of the IT service to make it an enabler for transformation
 - developing a better understanding of our internal customers and their requirements
 - remediating the existing service inadequacies and addressing the qualitative issues
 - establishing the capacity and agility required to deliver the digital strategy and to respond positively to the ever increasing service demands.
25. Taking positive action now to implement the sourcing model to deliver on these objectives will be a key action in responding positively to the LGA peer review findings.
26. Delivering a higher quality service is likely to require engagement with multiple suppliers, a stronger client team and additional budget which, in the current financial climate, will need to be clearly justified and the resulting benefits evidenced.

Options for the council

27. Officers have been considering a number of options for the future shape and sourcing of the council’s IT service. Appendix A of the closed report contains an overview of these options, their advantages and risks. These include:

- Contract extension with Capita on existing or revised terms.
- In-Sourcing all or part of the IT service
- Adopting a shared service with another council
- Undertaking an IT service procurement.

Contract Extension

28. A contract extension proposal which included a number of service and financial changes has been received from our existing IT managed service supplier, Capita. The main details of the proposal and the Council's response to them are included in appendix B of the closed report.
29. In its current form the proposal does not adequately address concerns with existing service quality, nor does it provide the required level of confidence that adoption of the agile approach necessary to support delivery of our digital vision and transformative work is achievable within the timeframe available. The council would also need to consider any procurement risks that might arise by agreeing any amendments to the contract terms (if these were fundamental amendments).
30. Separate to the contract extension proposal provision exists within the existing contract for the council to extend for up to a further 3 years on the current terms and conditions. Whilst this gives reasonable surety of service continuity the existing service currently fails to fully meet business requirements and this option carries the risk that this would continue to be the case.
31. Noting that delivering the required service quality within the current budget and contractual arrangements has proved challenging, a long-term extension to the current contract on existing terms is not considered to be in the council's or Capita's interest. In rejecting this option we need to be considerate of the risks and costs of the alternate options and the limited time to agree and implement a different sourcing model.
32. Whilst discussions to explore options for an extension will continue they will largely focus on a 6-month extension option with the view to de-risking the challenging timescale for a service procurement and transition to take place.

In Source

33. A full in-source would require the council to recruit and build an entire IT service division from scratch. Whilst some Capita staff would likely be considered as in-scope of a TUPE³ transfer from Capita to the council the number is likely to be relatively low compared to the resource required to fully manage the service.
34. It is 20 years since the council outsourced its IT service and therefore there is limited in-house knowledge of running a full IT service. Significant work would be required to develop the team structures and posts required and availability within the local and London-wide market for IT personnel with the requisite skills at the council's current pay levels is as yet untested.

³ Transfer of Undertakings (Protection of Employment) Regulations 2006

35. Whilst there is some evidence that a well-managed in-house IT service team is cost effective, many councils with in-house IT teams are looking to rationalise and derive further efficiency savings through adopting shared services. Full in-sourcing is therefore considered contra to the direction some councils are taking.
36. Taking into account the cost and time required to; establish the team, develop processes and procedures, provision the required management tools and support infrastructure and the increasing move towards shared services, the option to fully in-source could not be recommended at the present time.
37. Whilst a full in-source cannot be recommended it is recognised that the council's ability to manage the IT Service and service suppliers has been weakened by the decision to outsource a number of key IT roles. It is considered that developing a stronger in-house capability for Enterprise and Technical Architecture, strategic vendor management and project management would be of significant benefit and enable the council to take greater control of IT strategy and service performance.

Shared Service

38. Officers have engaged with a number of London authorities to ascertain their current IT sourcing arrangements and their future plans. In a number of cases these include development or expansion of shared services.
39. Establishing a shared service requires a significant amount of political and officer will and commitment and a willingness to partner, compromise and to potentially cede some control. Building the shared vision and strategy required takes time and a shared service typically takes longer to setup than procuring an equivalent IT managed service.
40. Whilst there are some London councils which might align well with our requirements those contacted do not appear to be in a position to partner or share IT services with us at this time. Similarly, the council is not currently in a position to adopt a shared service.
41. Due to the restricted timescale the option to identify a suitable council, establish the shared vision and implement a shared service is not considered viable at this time. This option should however remain of consideration as part of our long-term sourcing strategy.

Service Procurement

42. A service procurement would see the service put out to further competition, most likely through a framework agreement⁴.

⁴ Given the time constraints of the existing Capita contract which is due for renewal in January 2017 it is considered impractical to undertake a full OJEU procurement. In any event there appears to be little benefit in this procurement method over that of using a suitable framework agreement.

43. The recently published Crown Commercial Service RM1058 framework has been identified as suitable although other frameworks will be considered. The RM1058 framework comprises 11 service lots (see Appendix C). Lots can be procured either individually, combined into groups or let as a whole. It is therefore suitable for both a single supplier and multi-sourced (supplier) procurements.
44. The RM1058 framework has over 80 approved suppliers of various sizes which compares favourably with some IT service frameworks⁵ which have only a small number of large IT service management companies qualified to bid for a tendered contract.
45. There are considered to be a number of advantages to adopting a multi-sourced service strategy, procuring the IT service from multiple suppliers most likely based on grouping service lots such that the number of separate suppliers for the core services is limited to between 3 and 5.
46. A multi-sourced service will enable suppliers to be engaged who are considered as experts in their chosen discipline. Breaking the service into smaller service 'towers' means that re-procuring in the future should become simpler and the number of smaller suppliers able to supply services should mean that pricing is competitive.
47. Diagram 1 shows how a multi-sourced service may look.

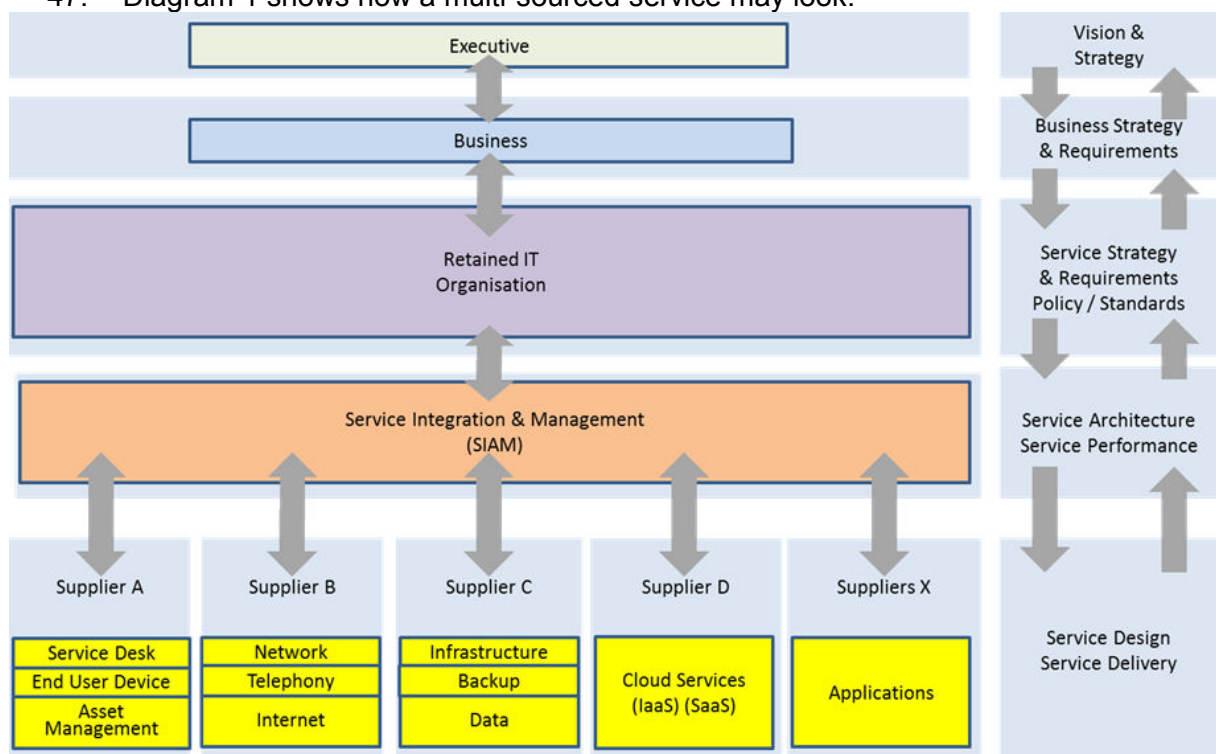


Diagram 1 – Multi-Source Service Design

Notes:

- The diagram shows the strategic vision and strategy filtering down through the organisation where it is developed into business strategy and requirements, an IT service strategy, service design and finally service delivery.

⁵ For example: Government procurement framework RM717 which was used by the council for the 2012 IT managed service procurement

- The service integration and management (SIAM) function manages co-ordination and integration between suppliers and service performance.
 - The SIAM function will need to be closely integrated with the retained IT organisation and options exist for this to be delivered by in-house resource, outsourced or as part of a blended team.
 - The diagram shows four suppliers each providing specific service lots as defined within the RM1058 framework.
 - In addition the council will retain direct relationships and services with a number of suppliers who supply, support and/or host some of the council's core business applications.
 - *This diagram is indicative only and not a final design for procurement of council services.*
48. Procuring the service in the manner described aligns with the Crown Commercial Service IT sourcing model. This model requires an increased level of service integration and management control which may best be achieved by development of in-house resource or a blended team. Such an approach aligns with the aforementioned development of specific in-house skills to enable the council to take greater control of strategy and service performance.
49. The timescale for undertaking a procurement and completing service transition prior to the existing IT managed service contract renewal date of January 2017 is very challenging and likely the biggest single risk with this approach. However it is considered achievable provided there are no delays. As noted in paragraph 32, a 6-month extension to facilitate a longer procurement and transition period so as to mitigate the risk arising from the challenging timescale to complete this work is being progressed.

Options Evaluation

50. In part due to the way it is structured a long term extension to the existing IT managed service contract is considered as unlikely to meet business requirements. However, a 6-month extension has merit in that it would de-risk the challenging timescale to undertake a multi-source procurement.
51. The option to fully in-source is not considered viable at this time as the time, cost and complexity to implement this option does not align with available resource.
52. Whilst adoption of a shared service has merit there is at present no identified council with which a partnership could be established in the time available. It is unclear at present to what extent the compromises inherent in a shared service would be acceptable to the council. The political and cultural challenges of sharing services with other authorities will need to be carefully explored, defined and reconciled before a shared service could progress. Given this, shared services should be seen as an option for longer term consideration.
53. Having reviewed the options available officers consider that adoption of a multi-sourced IT service model best aligns with the council's future IT service requirements although further work is required to assure this approach.
54. A multi-source service will utilise a number of suppliers each able to provide a defined high-quality service. The service should become more modular and consequently it should be easier to engage 3rd parties to undertake specific pieces of work. This should facilitate the required increase in agility and innovation.

55. The RM1058 framework has over 80 approved suppliers. Whilst not all will be able to meet the council's requirements and noting that there will likely be an increased service integration requirement, the increased competition from smaller suppliers should ensure that pricing is competitive.
56. To balance the advantages of multiple suppliers with the increased complexity and risks arising from the need for multi-supplier service integration the number of suppliers for the core service is likely to be limited to between 3 and 5, although this will be determined by further investigation, market engagement and the final service design.
57. In tandem with adopting a multi-source strategy the in-house technical, supplier management, project management and service integration capability will be reviewed and improved. This will enable the council to take greater control of IT strategy and service performance.
58. In progressing towards a multi-sourced service and considering the extent to which remedial infrastructure and qualitative issues need to be addressed, it is likely that the existing budget provision for the IT service will be inadequate and additional funding will likely be required.

Next Steps

59. Further work is required to assure options recommendation. This will be achieved through market engagement and additional research leading to a service design and procurement schedule.
60. Until we have a completed service design and procurement schedule it is difficult to determine the time required to complete procurement and transition. With only 12 months remaining of the current IT Managed Service contract the available time in which to undertake procurement is challenging and consequently discussions for extension of the existing contract will continue to be progressed.
61. Officers are proceeding as follows:
 - Progressing discussions with Capita to define jointly extension options of the existing contract.
 - Sourcing external expertise to assist with a supplier market engagement exercise and soft market testing. This will inform as to the market appetite and capability for supplying IT managed services to the council, the most advantageous way of grouping lots and assure whether a procurement exercise affords the council the best option for meeting future IT service requirements.
 - Undertaking external benchmarking of service performance, cost and user satisfaction. This will better inform us as we engage with the market and develop our recommended sourcing strategy.
 - Reviewing current in-house capability and identifying the areas and skills which should be developed to enable the council to manage better the IT service and suppliers.
 - Preparing a Gateway 1 report for Cabinet to consider. This report will set out the recommended sourcing strategy and proposed procurement detail and will be made available to the April Cabinet for consideration.
 - A cross departmental group chaired by the Strategic Director Housing and Modernisation has been established to oversee the development of the

council's sourcing strategy, any resulting procurement and the effective improvement of the council's IT service.

Procurement Project Timeline

Table 1 contains an indicative timeline for the project activities.

Activity	Complete by:
Start SoCITM benchmarking exercise. (Performance, cost & customer satisfaction)	11 January 2016
Cabinet - Gateway 0: IT Sourcing Options report	9 February 2016
Source Procurement & Design support & expertise (mini-tender).	12 February 2016
Complete Capita contract discussions	28 February 2016
Cabinet - Gateway 1: IT Sourcing Options report	March - April 2016
Scrutiny Call-in period and notification of implementation of Gateway 1 decision	
Complete SoCITM benchmarking exercise.	30 April 2016
Complete market engagement exercise	30 April 2016
Complete service design	30 April 2016
Preparation of invitation to further competition (ITFC)	31 May 2016
ITFC process and evaluation	June - September 2016
Cabinet - Gateway 2: IT Sourcing Award Report	October 2016
Contract/s award and signing	November - December 2016
Transition Period	March 2017 ⁶

Table 1– Indicative project timeline

Notes:

- Dates in bold are fixed. Detailed activity and dates will be confirmed as the project progresses.

KEY ISSUES FOR CONSIDERATION

Options for procurement route including procurement approach

62. Option 1: Existing contract extension.
63. Option 2: IT Service procurement through an existing framework agreement.

Proposed procurement route

64. The recommended IT sourcing strategy and procurement route will be detailed in a Gateway 1 report.

⁶ The existing contract with Capita ends January 2017 and therefore to run transition activities past this date will require a short-term extension of the contract.

Identified risks for the procurement

65. Table 2 contains the most significant risks considered in the preparation of this report. A full risk analysis will be completed as the project progresses.

Risk	Consideration/Mitigation
Time to complete procurement: The most significant risk is the challenging timeframe in which to complete this work prior to January 2017 when the existing IT managed service contract ends unless previously extended.	Discussions are in progress with Capita on extension options to mitigate this risk. A 6-month extension should adequately mitigate this risk and enable transition to alternate IT service suppliers to complete.
Service Performance: It is possible that Capita could fail to deliver an acceptable service during the procurement and transition period.	Capita have provided executive level commitment to fulfilling all contractual commitments. Capita are engaged in discussions with the council regarding a contract extension. A contract extension would secure base service income and provides opportunity to undertake project work planned for the coming 12-18 months which would generate additional income for them. Capita have a number of other contracts with the council which are unaffected by the council's intent to review IT sourcing options. Capita therefore have an on-going interest in maintaining and further developing their relationship with the council and consequently in delivering a good service. Capita are listed on many of the Government Procurement Service frameworks and therefore will likely be in a position to bid for future work should they choose to do so. A poor service which falls below contracted service levels will incur service credits. Council officers and Capita maintain good working relations.
Lack of expertise and resource to undertake required procurement work: The council lacks the relevant expertise or has insufficient resource to complete the procurement.	Work is in progress to secure appropriate resource to assist with market engagement, service design and procurement.
Lack of suitable responses to the Invitation to Further Competition (ITFC): The council may receive little interest from IT service suppliers.	The number of suppliers who are signed to the RM1058 framework is a good indication that there is strong market interest in supplying multi-source IT services. Early engagement with the market will promote interest and identify potential issues at an early stage..

Risk	Consideration/Mitigation
Service integration in a multi-sourced service. One of the significant risks of a multi-sourced IT service is ensuring that all service suppliers integrate well to ensure that a seamless service is delivered.	We recognise this as a significant change in managing and delivering IT services. We are looking to expand and develop internal expertise. Lot 8 of the RM1058 framework enables service integration to be procured as a service. We will likely employ professional services to assist with development of the service integration and management (SIAM) model and with establishing the relevant in-house or blended team skills.

Table 2 – Significant risk considerations

Key/Non Key decisions

66. This is a gateway 0 report and is for information only.

Policy Implications

67. None

Sustainability considerations

68. The Public Services (Social Value) Act 2012 requires the council to consider a number of issues including how what is proposed to be procured may improve the economic, social and environmental well-being of the local area. Details of this will be given in the gateway 1 report.

Plans for the monitoring and management of the contract

69. It is envisaged currently that the contract/s will be managed through increased and up-skilled internal resource or a hybrid team utilising external resource to provide strategic vendor management expertise. Details will be included in gateway 1 or 2 reports.

Staffing/procurement implications

70. There is a considered requirement to improve internal skills and resource to be better able to manage the council's technical strategy, vendor management and programmes and projects.
71. The structure and composition of the council's IT team is yet to be defined. Council policy on any resultant changes will be followed and we envisage undertaking full consultation with departments, staff and the respective unions.
72. It is considered likely that a multi-source procurement will take place utilising an existing EU compliant procurement vehicle. The detail of this will be reported fully in a gateway 1 report for Cabinet approval.

Financial implications

- 73. Without further work it is not possible to forecast future total IT service costs. Noting the significant improvement required to the current infrastructure, the need to address issues of service quality and the requirement to resource and develop the internal client team, it is reasonable to assume that additional budget will be required.
- 74. Market engagement at an early stage should provide a reasonable indication of likely future service costs and any financial implications will be tested for affordability.

Legal implications

- 75. Please see concurrent from the Director of Law and Democracy.

Consultation

- 76. A cross departmental group chaired by the Strategic Director Housing and Modernisation has been established to oversee the development of the council's sourcing strategy, any resulting procurement and the effective improvement of the council's IT service.

Other implications or issues

- 77. The council's Digital strategy has been completed but awaits Cabinet approval. The strategy will be incorporated into our considerations and procurement requirements.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Finance and Governance (FC15/051)

- 78. The strategic director of finance and governance notes the recommendations in this report to design and procure a multi-sourced IT service to replace the existing single supplier IT managed service.
- 79. The financial implications of this approach cannot be identified at present. The indicative timeline shows the new contract arrangements being finalised in Autumn 2016, giving sufficient time for the impact to be incorporated into the 2017/18 budget proposals considered by Council Assembly in February 2017, before the contracts commence in 2017/18.

Head of Procurement

- 80. This report provides an overview of sourcing options for IT managed services and the developing procurement strategy for the council. Paragraph 27 identifies the options that are available, which are explored in more detail in paragraphs 33-49 of the report.
- 81. The report evaluates the identified options in paragraphs 50-58 and makes the recommendation to Cabinet that it endorse the recommended approach to replace the existing single supplier IT managed service with a multi-sourced IT service.

82. Cabinet is asked to endorse work by officers to progress the option to design and procurement of the recommended multi-sourced IT service for the Gateway 1 report that it intends to present to Cabinet for consideration in March.
83. Cabinet are asked to note the procurement timescale and complexities involved in the project, and the work to explore a 6-month extension with the council's current IT managed service supplier in order to mitigate the risks identified.

Director of Law and Democracy

84. This report asks the cabinet to note and endorse a number of issues in relation to the IT managed services and the development of the future procurement strategy. The initial term of the council's contract with Capita for these services expires in January 2017, and the intention is that following approval of this gateway 0, a number of activities will commence (as detailed in paragraph 61) which will allow officers to prepare the gateway 1 report and seek approval to the procurement strategy.
85. There are no specific legal implications arising from this report. Legal officers from law and democracy will continue to assist the IT team as this procurement progresses, and will give the cabinet additional advice on the procurement options when the gateway 1 is brought forward.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
N/a		

APPENDICES

No	Title
Appendix A	IT Contract Options (On closed agenda)
Appendix B	Capita contract extension proposal detail (On closed agenda)
Appendix C	Crown Commercial Service framework RM1058 Service Lots
Appendix D	Procurement Timeline

AUDIT TRAIL

Cabinet Member	Councillor Fiona Colley, Finance, Modernisation and Performance		
Lead Officer	Gerri Scott, Strategic Director of Housing and Modernisation		
Report Author	Chris Anderson, Interim IT Manager Richard Head, Acting Head of IT		
Version	Final		
Dated	28 January 2016		
Key Decision?	No		
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER			
Officer Title	Comments Sought	Comments included	
Strategic Director of Finance and Governance	Yes	Yes	
Head of Procurement	Yes	Yes	
Director of Law and Democracy	Yes	Yes	
Cabinet Member	Yes	Yes	
Date final report sent to Constitutional Team		28 January 2016	

APPENDIX C

Crown Commercial Service framework RM1058 Service Lots

Lot 1: Help desk/Service desk

The single point of contact between a service provider and users within an organisation. A typical service desk manages Incidents and service requests, and also handles communication with the users.

Lot 2: Desktop Support

The technical services offered by a support organisation to user(s) experiencing problems with their technology assets. Support may be on either hardware or software running on the affected computing device. Support may include but is not limited to: IMACD (Installation, Move, Add, Change and Disposal) and local remote services.

Lot 3: Network Management

A set of hardware and/or software tools that allow an IT organisation to supervise the individual components of a network within a larger network management Agreement. Network management system components assist with but are not limited to: network device discovery; network device monitoring; network performance analysis and intelligent notifications.

Lot 4: Network and content security

Managed network security services are tasks or processes related to network security. Includes:-

- Device management; monitoring and remediation;
- email security' including anti-spam, anti-malware and IP filtering;
- network intrusion detection and prevention;
- asset classification and change management;
- data leak protection,
- the creation of access control policies.

Lot 5: Infrastructure and platform, maintenance and support

Manage all infrastructure hardware and software operations, including server and storage systems. Support production applications, whether open source, developed in-house, or third party.

- Break fix — focused on servers and storage.
- Platform support and maintenance is the management of hardware and software architecture in order to allow applications to operate. Platforms can include one or several hardware and/or software components:

Lot 6: Audit services and asset management

Asset management is a service that offers systematic and independent examination of data, statements, records, operations and performances (financial or otherwise) of IT Software and Hardware. Audit services are formal inspections and verifications to check whether a Standard or set of Guidelines is being followed, that Records are accurate, or that Efficiency and Effectiveness targets are being met.

Lot 7: IT Infrastructure Transition Services and Delivery

IT Infrastructure Transition Services is to assist customers when they need to move, re-build or re-deploy IT services from one organisation to another. Service Transition also makes sure that changes to services and Service Management processes between existing and new service provider are carried out in a coordinated way.

Lot 8: Service Integration/Service Integrator

IT Service Integration is to manage enterprise IT services delivered by multiple suppliers across different delivery models in one integrated enterprise service management process. IT Service Integration should address the following key challenges many customers struggle with:

- Complexity, managing their internal and external suppliers within multi sourcing environments
- Cost and Effort, ensuring lower costs and improved performance are not losing ground to increased effort in effective supplier management —
- Transparency, ensuring there is end-to-end and cross-supplier service transparency with clear and consistent or unclear service reports
- Roles and Responsibilities are clear and risks managed effectively.
- Compliance with contractual agreements, regulatory requirements, industry standards and business objectives.

Lot 9: Disaster Recovery/ Business Continuity

Disaster recovery policies and procedures that are related to preparing for recovery or continuation of the technology infrastructure which are vital, to organisations business continuity, after a natural or human-induced disaster. This service will include but not be limited to;

- Resilience testing,
- Recovery testing and planning
- Contingency planning and support.

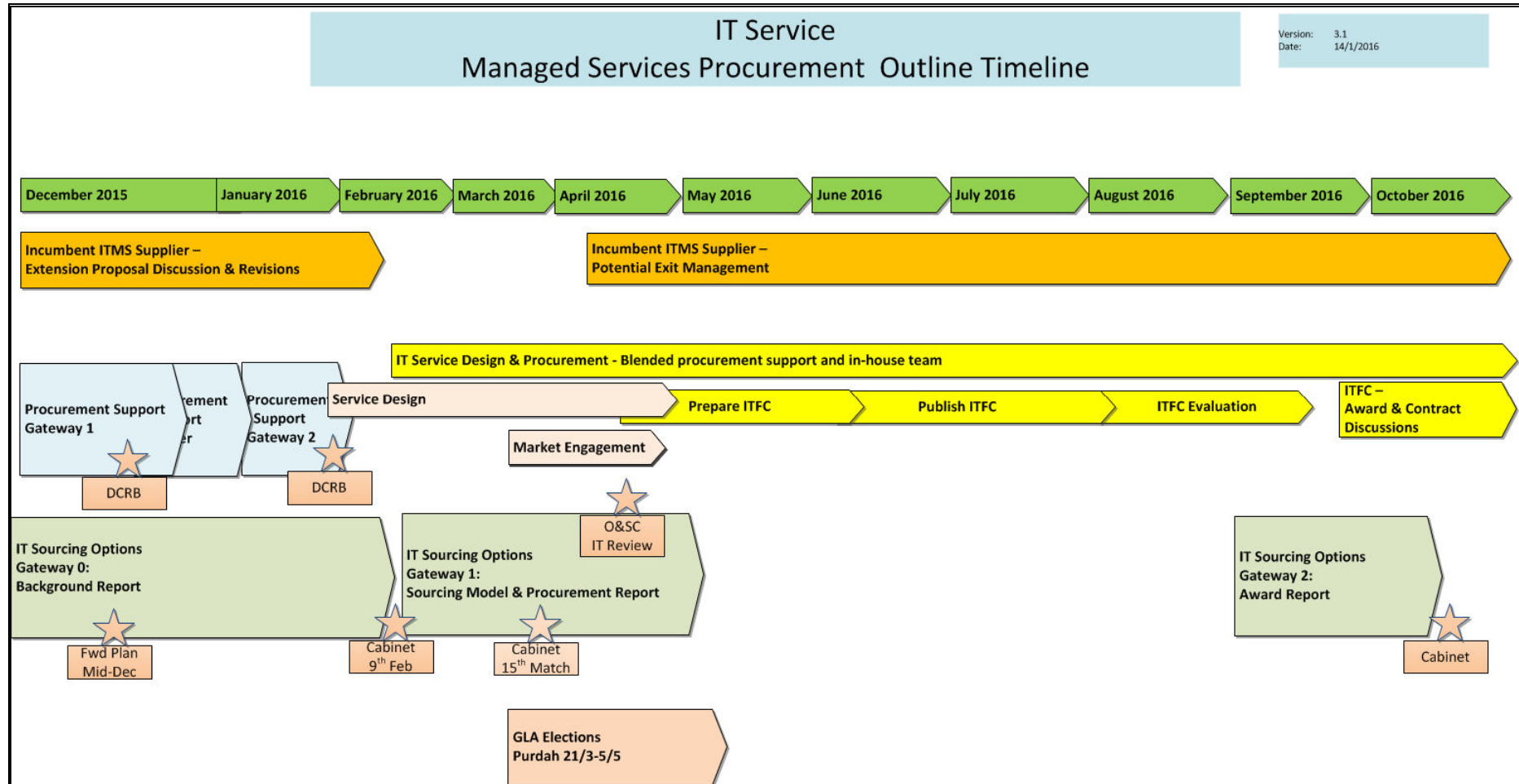
Lot 10: Back up and Data Services

A remote, on-line, or managed backup service, provides users with a system for the backup, storage, and recovery of computer files. On-line backup organisations will provide this type of service to end users.

Lot 11: Asset Disposal

A computer recycling service that offers but is not limited to include: data destruction to UK Government CESG standards with certificated proof of erasure for every hard drive or data bearing asset; a managed IT disposal service that can be fully integrated with roll-out programmers and other service partners; full audit trail with itemised reporting; IT disposal services are WEEE Compliant.

Indicative Procurement Timeline



Item No. 24.	Classification: Open	Date: 9 February 2016	Meeting Name: Cabinet
Report title:		Broadband in Rotherhithe	
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

This report provides Cabinet with an update on the work the council is doing to bring superfast broadband to the Rotherhithe peninsula.

Crucially a constructive working relationship has been established with BT Openreach, a major provider of broadband infrastructure, who is now offering a combination of solutions to improve broadband coverage in Rotherhithe.

BT has committed to the deployment of new green boxes, which bring fibre cables and improved connection speeds and will deliver superfast broadband to an additional 4,000 homes in Southwark, with a particular focus in Rotherhithe, by 31 March 2016.

BT and the council are also proposing to run a pilot in a number of council housing blocks in Rotherhithe where BT will install smaller, condensed versions of green boxes in the building. This is new technology and is known as Fibre to the Internal Cabinet (FTTIC). If successful we will look to expand this provision to more estates.

A Rotherhithe Broadband working party has been established which includes officers from the Planning and Highways departments as well as Housing & Modernisation. The group will manage liaison with BT Openreach (and potentially other broadband infrastructure providers) and push for speedy and complete deployment of fibre cabling in Rotherhithe and elsewhere in Southwark.

Overall good progress is being made in improving broadband services but we are still some distance from the 100% coverage that we are seeking and so our work continues.

RECOMMENDATIONS

1. Cabinet is asked to note the progress being made in bringing superfast broadband to the Rotherhithe area.

BACKGROUND INFORMATION

2. Access to broadband services is notoriously poor in the Rotherhithe and Canada Water areas. For many, access to good internet connections is like any other utility service; like gas, water and electricity, and should be generally available. Access to the internet is no longer a luxury; it is a necessity for many citizens and businesses. They are increasingly reliant on the internet to connect with services, goods and other people.

3. For many people, access to good internet services is essential to their daily lives, enabling them to keep in contact with family and friends, access information about goods and services and do their shopping. Studies have shown that those with good internet access are typically wealthier, healthier and better educated.
4. Students need access to the internet to carry out research, do their homework and communicate with their peers and tutors. Courses are often delivered on-line and interactions with education providers are on-line. Without access to good internet services, study would be a significantly greater challenge.
5. The Government has embarked on a Digital by Default Service Standard which will necessitate citizens to conduct transactions on-line. Universal Credit has started to be rolled out in Southwark since the beginning of November 2015. There is the presumption that applications for Universal Credit will be made on-line. All transactions will be completed on-line and payments will be made directly into claimant's bank accounts. It is essential that claimants are able to access their Universal Credit accounts and bank account on-line in order to avoid errors and delays in managing their claim.
6. Disabled residents in particular benefit from services provided on-line. For those with mobility limitations, the internet opens up opportunities for options to access services which they may have otherwise been denied.
7. The access to good broadband in the Rotherhithe and Canada Water areas has become a significant local issue. Local residents and businesses have created a pressure group, the Rotherhithe Broadband Group and have been very effective in drawing the matter to the attention to local politicians and the council and lobbying internet service providers for improved services in the area. It is also considering developing its own fibre network based on models of similar groups elsewhere in the UK.
8. Southwark has made a promise to bring superfast broadband to the Rotherhithe Peninsula. The council has brokered a number of meetings with the Rotherhithe Broadband Group, BT, council officers and other stakeholders. Other council members have also been working on behalf of constituents to encourage those with influence to improve broadband access in the area.

Broadband in Rotherhithe

9. Access to good broadband services in Rotherhithe and Canada Water is generally poor. Anecdotally, residents' access to anything other than very basic services is difficult. The Broadband Delivery UK (BDUK) team within the Department of Culture, Media and Sport (DCMS) is responsible for the improvement of the UK's broadband infrastructure. Its objective is to: "achieve a transformation in our broadband access, with everyone in the UK able to access broadband speeds of at least 2 megabits per second (Mbit/s) and 95% of the UK receiving far greater speeds (at least 24 Mbit/s) by 2017.
10. In 2014 the council commissioned Atkins (engineering consultants) to review broadband access in Rotherhithe. The report confirmed the challenges in the area (see map at appendix 1). It also suggested some of the solutions. The report identified that poor access in traditional docks areas is not unusual. They have historically been poorly served and the expansion of broadband services has not kept up with the development of homes and businesses in these areas.

11. Premises in the Rotherhithe area, consisting of Rotherhithe and Surrey Docks wards are served from the Bermondsey exchange located on Lynton Road approximately 1.3 km away from Lower Road. The distance from the exchange exacerbates the problem as does the paucity of BT “green boxes” which bring fibre cables and improved broadband speeds closer to premises.
12. BT Openreach is the incumbent telecommunications infrastructure provider in the UK. They own the most pervasive network coverage throughout the country and serve all types of premises; residential and commercial. As a purely wholesale provider, BT Openreach does not offer services to end users but allow Internet Service Providers (ISPs) and suppliers to buy connectivity services to deliver their own services to end-users over this infrastructure.
13. Until recently the Government has been concentrating on improving broadband in rural areas. They have been subsidising the costs of improving services through BT Openreach and services in rural areas have been improved. As a result, some inner city and urban areas have been left behind in the rollout of Superfast Broadband.
14. Other service providers have failed to bridge the gap and tend to look at the anticipated commercial benefits before committing to infrastructure changes. BT Openreach is now more receptive to appeals for improving broadband services. It also appears to be sensitive to recent criticism in the media about the lack of broadband services in some areas of the country.

Suggested solutions

15. There are a number of broadband service providers that are able to deploy fibre cable and broadband services e.g. BT Openreach, Virgin, Hyperoptic, Community Fibre. Whilst BT Openreach is part of BT Group PLC, it only provides infrastructure and does not itself offer ISP services to end users. BT Openreach will allow ISPs and suppliers to buy connectivity services to deliver their own services to end-users over this infrastructure.
16. Council officers have been working with BT Openreach to encourage them to expand their broadband presence on the Rotherhithe Peninsula and elsewhere in Southwark. A constructive working relationship has now been established with BT officers. Over the summer discussions have been taking place, and BT is now offering a combination of solutions to improve broadband coverage in Rotherhithe and elsewhere in the borough.
 - a. The deployment of new green boxes is planned to deliver superfast broadband to an additional 4,000 homes in Southwark by 31 March 2016. This is known as Fibre to the Cabinet (FTTC) (see map at appendix 2).
 - b. Install smaller, condensed versions of green boxes in Southwark buildings. This is new technology and is known as Fibre to the Internal Cabinet (FTTIC). The proposal is to run a pilot in a few buildings to prove the technology and its applicability to Southwark buildings, with a view to further expansion should it prove to be a success.

Broadband in Rotherhithe Working Party

17. A working party has been established to oversee the broadband improvements in the Rotherhithe area. The first meeting of the group took place on 9 September 2015. It includes officers from the Planning and Highways departments and Customer Experience.
18. The purpose of the group is to oversee broadband improvements, assist BT Openreach where possible to smooth the path to locating green cabinets and cabinets internal to Southwark buildings. The group will manage liaison with BT Openreach staff and push for speedy and complete deployment of fibre cabling in Rotherhithe and elsewhere in Southwark. BT Openreach officers will be invited to attend future meetings of the group to provide regular updates on the improvements being sought.
19. Southwark has been in liaison with BT Openreach about council owned buildings in the Rotherhithe area which might be appropriate for the deployment of FTTIC. They have selected three buildings for survey which has been undertaken. A site visit has also taken place to help identify where the technology might be best placed in the buildings which works for both BT Openreach and the council.
20. Members of the working party met with representatives of the Rotherhithe Broadband Group on 16 October 2015, to provide an update on the work taking place with BT Openreach. They were pleased to see that progress was being made in improving broadband services but were also keen to see plans for achieving 100% coverage in the area. The council shares this ambition and will continue to push for ever greater coverage.

Digital Exclusion

21. Being digitally capable can make a significant difference to individuals and organisations day to day. For individuals, this can mean cutting household bills, finding a job, or maintaining contact with distant friends and relatives. For businesses, going online can provide ways to reach more customers and reduce operating costs. The internet also provides broader benefits, by helping to address wider social and economic issues like reducing isolation and supporting economic growth.
22. A recent paper on digital exclusion in Southwark highlighted the difference between having access to the internet with the ability to use it. 98% of Southwark residents have access to the internet, 92% have home access to the internet, but only 83% of residents possess basic on-line skills.
23. This means there are approximately 40,000 people across the borough who do not have the basic on-line skills necessary to send and receive emails, use a search engine, browse the internet, and complete online forms. A significant proportion of the population therefore is likely to be lacking access or skills to make the most of that the digital world has to offer.
24. Work is already underway across Southwark in many different forms and partnerships to support and address these issues, for example through community engagement work with tenants and other groups, support in Libraries and through specialist programmes helping people back into work.

25. It is important to continue to bring together and evaluate qualitative and practical evidence from ongoing projects – both across the Council, partners and including the third sector to find out what works and how sustainable change can be achieved to ensure residents can make the most of on-line opportunities.

Risks

26. The council does not provide internet services and is working with others to improve the situation in Rotherhithe. There are risks for the council in connection with service delivery and the expectations this might create. BT Openreach is not promising 100% Superfast broadband coverage in Rotherhithe or elsewhere in the borough. They are however committed to improving services and the council will continue to push for even greater improvements in the future.

Financial implications

27. At present there are no costs to the council associated with this initiative.

Other options

28. It is important to note that the work BT Openreach initiative does not preclude other infrastructure service providers from extending their broadband provision in Southwark. They do however tend to be exclusive offers, i.e. subscribers will be tied in to receiving their broadband from a single supplier. The council would however welcome any initiatives which would result in greater access to broadband services across the borough.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Finance and Governance (FC15/034)

29. The strategic director of finance and governance notes the contents of this report and acknowledges that at present this initiative holds no cost implications for the council.

Director of Law and Democracy

30. The council has sought independent legal advice on the proposed structure of this project and in ensuring, to the extent possible, that the project complies with state aid and procurement requirements.
31. The council is currently examining the structure of the proposed arrangement in more detail and will report back to members in due course.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

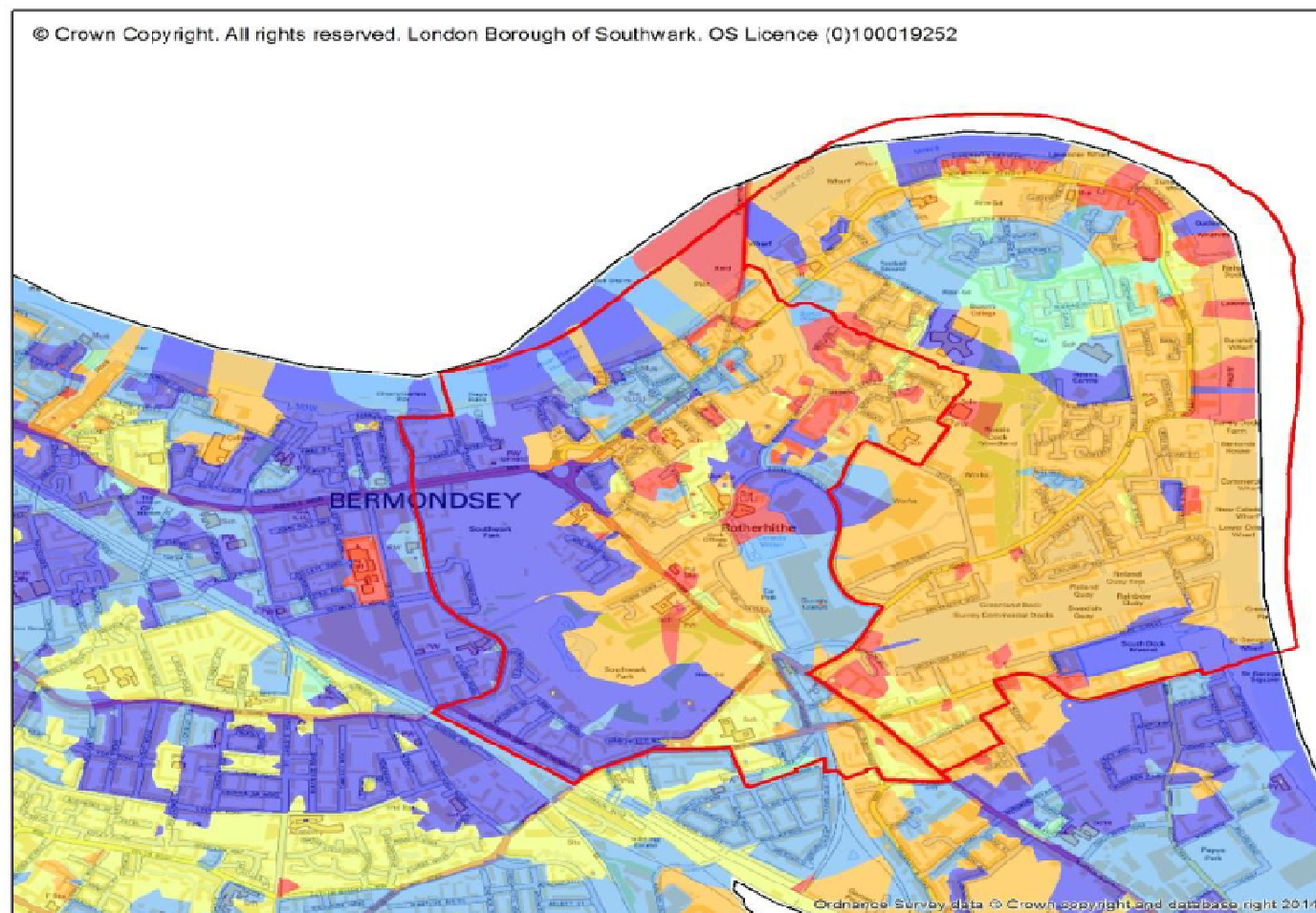
APPENDICES

No.	Title
Appendix 1	Rotherhithe Broadband and Availability Speed
Appendix 2	Deployment - Southwark Council Phase 1

AUDIT TRAIL

Cabinet Member	Councillor Fiona Colley, Cabinet Member for Finance, Modernisation and Performance		
Lead Officer	Gerri Scott, Strategic Director for Housing and Modernisation		
Report Author	Richard Selley, Head of Customer Experience		
Version	Final		
Dated	28 January 2016		
Key Decision?	No		
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER			
Officer Title	Comments sought	Comments included	
Strategic Director of Finance and Governance	Yes	Yes	
Director of Law and Democracy	Yes	Yes	
Cabinet Member	Yes	Yes	
Date final report sent to Constitutional Team		28 January 2016	

APPENDIX 1



Rotherhithe Broadband Availability and Speed



Postcode map of the maximum broadband speed currently available in Rotherhithe

Legend

 Rotherhithe and Surrey Docks Ward Boundaries

Maximum Broadband Speed

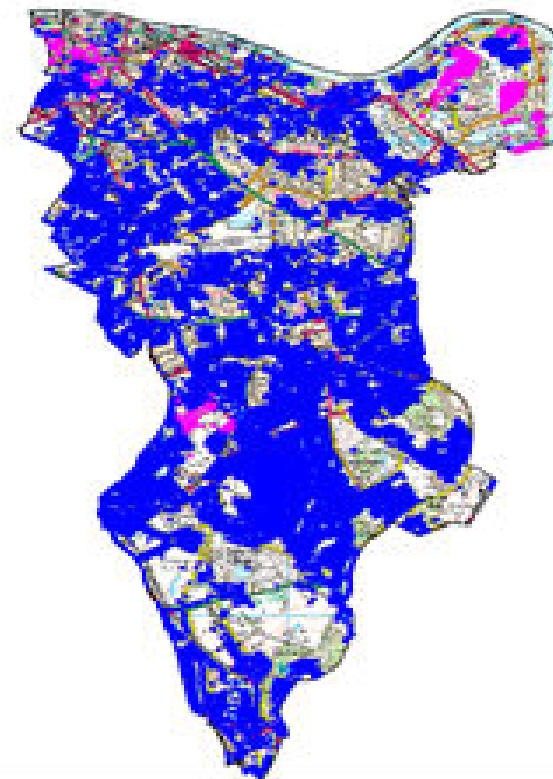
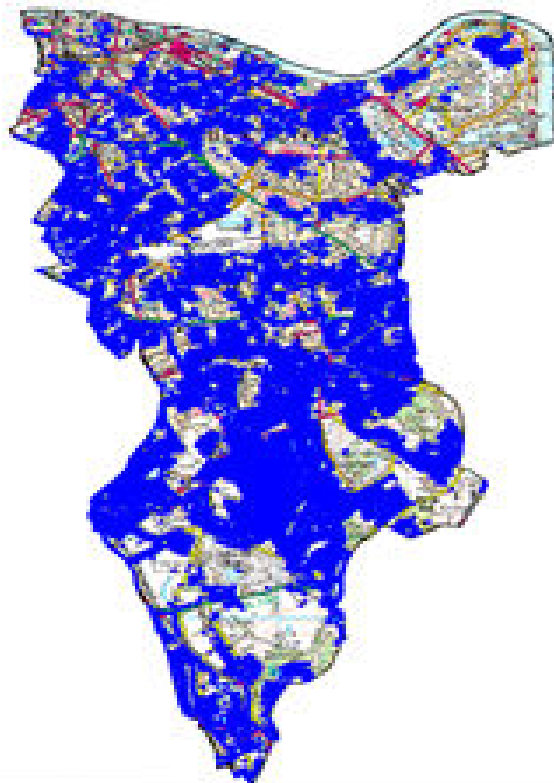
0 - 2 Mbit/s
2 - 8 Mbit/s
8 - 24 Mbit/s
24 - 55 Mbit/s
55 - 80 Mbit/s
> 80 Mbit/s

ATKINS
Date: 22/10/2014

Deployment ... Southwark Council Phase 1

Map 1: Blue area shows coverage before London Expansion Programme (LEP)

Map 2: Pink areas show additional coverage after Phase 1 deployment of LEP



confidence

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