

## Cabinet

Tuesday 15 June 2021

11.00 am

Ground floor meeting rooms, 160 Tooley Street, London SE1 2QH

### Membership

Councillor Kieron Williams (Chair)  
Councillor Jasmine Ali

Councillor Evelyn Akoto  
Councillor Stephanie Cryan  
Councillor Helen Dennis  
Councillor Rebecca Lury  
Councillor Alice Macdonald  
Councillor Darren Merril  
Councillor Jason Ochere  
Councillor Catherine Rose

### Portfolio

Leader of the Council  
Deputy Leader and Children, Young People and Education  
Health and Wellbeing  
Council Homes and Homelessness  
Climate Emergency and Sustainable Development  
Finance, Performance and Democracy  
Equalities, Neighbourhoods and Leisure  
A Safer, Cleaner Borough  
Jobs, Business and Town Centres  
Transport, Parks and Sport

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## INFORMATION FOR MEMBERS OF THE PUBLIC

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### Contact

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Members of the committee are summoned to attend this meeting

**Councillor Kieron Williams**

Leader of the Council

Date: 7 June 2021



# Cabinet

Tuesday 15 June 2021  
11.00 am

Ground floor meeting rooms, 160 Tooley Street, London SE1 2QH

## Order of Business

Item No.	Title	Page No.
	<b>PART A - OPEN BUSINESS</b>	
	<b>MOBILE PHONES</b>	
	Mobile phones should be turned off or put on silent during the course of the meeting.	
<b>1.</b>	<b>APOLOGIES</b>	
	To receive any apologies for absence.	
<b>2.</b>	<b>NOTIFICATION OF ANY ITEMS OF BUSINESS WHICH THE CHAIR DEEMS URGENT</b>	
	In special circumstances, an item of business may be added to an agenda within five clear working days of the meeting.	
<b>3.</b>	<b>NOTICE OF INTENTION TO CONDUCT BUSINESS IN A CLOSED MEETING, AND ANY REPRESENTATIONS RECEIVED</b>	1
	To note the items specified which will be considered in a closed meeting.	
<b>4.</b>	<b>DISCLOSURE OF INTERESTS AND DISPENSATIONS</b>	
	Members to declare any interests and dispensations in respect of any item of business to be considered at this meeting.	

Item No.	Title	Page No.
5.	<b>PUBLIC QUESTION TIME (15 MINUTES)</b>	
	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 9 June 2021.	
6.	<b>MINUTES</b>	2 - 20
	To approve as a correct record the minutes of the open section of the meeting held on 9 March 2021.	
7.	<b>DEPUTATION REQUESTS</b>	
	To consider any deputation requests. The deadline for the receipt of a deputation request is midnight Wednesday 9 June 2021.	
8.	<b>POLICY AND RESOURCES STRATEGY: FINANCIAL REMIT 2022-23 AND SCENE SETTING, FAIRER FUTURES BUDGET PRINCIPLES UPDATE</b>	21 - 39
	To approve the updated 'Fairer Future Budget Principles' and note the continuing financial uncertainty as a result of a number of factors.	
9.	<b>POLICY AND RESOURCES STRATEGY: REVENUE MONITORING REPORT, INCLUDING TREASURY MANAGEMENT 2020-21</b>	40 - 66
	To note the balanced general fund outturn position for 2020-21 after the application of reserves and emergency Covid-19 funding and related recommendations.	
10.	<b>POLICY AND RESOURCES STRATEGY: CAPITAL MONITORING REPORT OUTTURN 2020-21</b>	67 - 96
	To note the outturn and resources for 2020-21 and future years for both the general fund and housing investment programmes.	
	To approve the virements and variations to the general fund and housing investment capital programme and the inclusion in the programme of the capital bids.	

Item No.	Title	Page No.
11.	<b>ACQUISITION OF CATLIN STREET, SE16- STRATEGIC INVESTMENT / SITE ACQUISITION</b>	97 - 103
	To authorise pursuant to s227 of the Town and Country Planning Act 1990, that the council acquires the freehold interest in the property known as the Old Stables Catlin Street SE16.	
12.	<b>GATEWAY 3 VARIATION DECISION: EXTENSION OF CONTRACTS FOR THE PROVISION OF GENITO-URINARY MEDICINE SERVICES AT KCH AND GST (KINGS COLLEGE AND GUYS &amp; ST THOMAS' HOSPITALS)</b>	104 - 115
	To approve the extension of the use of the open access pan-London genito-urinary medicine (GUM) contracts that Lambeth Council have with King's College Hospital NHS Foundation Trust (KCH) and Guy's and St Thomas' Hospital Trust (GSTT).	
13.	<b>GATEWAY 0: STRATEGIC OPTIONS ASSESSMENT FOR THE PROVISION OF GENITO-URINARY MEDICINE SERVICES</b>	116 - 134
	To approve the strategic options assessment and recommendation set out in for the delivery of genito-urinary medicine (GUM) services for Southwark Council, which is to undertake a joint procurement with Lambeth and Lewisham and negotiate with the existing providers.	
14.	<b>REPORT OF THE EDUCATION AND LOCAL ECONOMY SCRUTINY COMMISSION: REVIEW OF APPROACH TO EQUALITY AND ADOPTION OF THE EQUALITY FRAMEWORK</b>	135 - 137
	To consider recommendations from the education and local economy scrutiny commission in respect of equalities.	
15.	<b>REPORT OF THE EDUCATION AND LOCAL ECONOMY SCRUTINY COMMISSION: EDUCATION: CHILDREN'S EXPERIENCE AND EDUCATION DURING THE COVID-19 PANDEMIC</b>	138 - 153
	To consider recommendations from the education and local economy scrutiny commission in respect of children's experience and education during the Covid-19 pandemic.	
16.	<b>REPORT OF THE EDUCATION AND LOCAL ECONOMY SCRUTINY COMMISSION: LOCAL ECONOMY: REVITALISING SOUTHWARK'S HIGH STREETS AND TOWN CENTRES</b>	154 - 167
	To consider recommendations from the education and local economy scrutiny commission in respect of revitalising Southwark's high streets and town centres.	

<b>17.</b>	<b>MOTIONS REFERRED FROM COUNCIL ASSEMBLY</b>	168 - 186
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To consider the following motions referred from council assembly on 24 March 2021:

- Southwark's Economic Renewal: creating a fair, equal and local economy
- Bringing back Trams to Southwark
- International Women's Day
- The Union Learning Fund
- Sustainable future funding for Local Welfare Assistance
- End Male Violence against Women and Girls

<b>18.</b>	<b>APPOINTMENTS TO OUTSIDE BODIES 2021-22</b>	187 - 199
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To consider and agree appointments to the outside bodies for the 2021-22 municipal year.

<b>19.</b>	<b>APPOINTMENTS TO PANELS, BOARDS AND FORUMS 2021-22</b>	200 - 207
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To agree the allocation of places to the panels, boards and forums for 2021-22 municipal year.

**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**

<b>20.</b>	<b>MINUTES</b>	
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**Item No.**

**Title**

**Page No.**

- 21. ACQUISITION OF CATLIN STREET, SE16- STRATEGIC INVESTMENT / SITE ACQUISITION**

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

Date: 7 June 2021



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

### **Cabinet 15 June 2021**

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 15 June 2021 at 11.00am online/virtual meeting will be held partly in closed session for consideration of the following items listed on the agenda:

**Item 21:** Acquisition of Catlin Street, SE16- Strategic Investment / site acquisition.

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.

Paula Thornton  
For Proper Constitutional Officer

**Dated:** 7 June 2021



## Cabinet

MINUTES of the OPEN section of the Cabinet held on Tuesday 9 March 2021 at 11.00 am. Virtual/online meeting.

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**PRESENT:** Councillor Kieron Williams (Chair)  
Councillor Jasmine Ali  
Councillor Evelyn Akoto  
Councillor Helen Dennis  
Councillor Stephanie Cryan  
Councillor Alice Macdonald  
Councillor Rebecca Lury  
Councillor Catherine Rose  
Councillor Johnson Situ

### 1. APOLOGIES

All members were present.

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

The chair gave notice of the following late item:

- Item 7: Deputation requests

Reasons for urgency and lateness will be specified in the relevant minute.

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

There were none.



#### 4. DISCLOSURE OF INTERESTS AND DISPENSATIONS

Councillor Evelyn Akoto declared a disclosable pecuniary interest in respect of the following items as a leaseholder and did not participate in the discussion for these items:

Item 9: Discretionary Service Charge Loan Policy

Item 10: Gateway 1 – Procurement Strategy Approval – Leasehold and Ancillary Properties Buildings Insurance.

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

The following twenty-four public questions were received for cabinet. The responses were sent to the questioners in advance of the meeting and are set out below:

##### 1. Matt Reynolds

Some of the key aims of the low traffic neighbourhoods (LTNs) have experienced vast improvements but may be difficult to measure; primarily modal shift to cycling/walking and a reduction in vehicle speeding. How will the council ensure these impacts are measured accurately when determining the success of the projects?

##### **Response by Councillor Catherine Rose, Cabinet Member for Leisure, Environment and Roads**

All of the LTNs across the borough will be comprehensively reviewed. The monitoring plan for the review will also be published which will explain how impacts are to be measured.

Full details of the first of these reviews for the LTNs in the Dulwich area are intended to be published to the council web pages later this month. The launch of the review will be accompanied by a newsletter delivered to all properties in the review area providing details of the review and how to access the relevant web page.

##### 2. Maggie Brown

Can you please confirm that the forthcoming consultation will include and actively seek responses from all residents, businesses, schools and others actually or potentially affected by displacement of traffic arising from the measures, and that the implications for them are made clear and not diminished or glossed over?

**Response by Councillor Catherine Rose, Cabinet Member for Leisure, Environment and Roads**

It is presumed that the question relates to the forthcoming review of the Dulwich area schemes.

Full details of the review are intended to be published on the council website later this month. The launch of reviews will be accompanied by a newsletter delivered to all properties in the review area providing details of the review and how to access the relevant web page.

**3. Trevor Moore**

Given the timed restrictions introduced in other parts of the Dulwich area, why does the council consider that continuing 24/7 closures are needed at the Village junction with Calton Avenue, given that the overwhelming cycling usage (especially by children) is during the timed hours?

**Response by Councillor Catherine Rose, Cabinet Member for Leisure, Environment and Roads**

The council is to carry out a comprehensive review of the Dulwich area LTNs with the current intention that the review will be launched later this month.

As previously advised, consideration will be given to how current trial measures at the Dulwich Village/Calton Avenue junction meet and support the objectives of the wider area scheme.

**4. Caroline Annesley**

Councillor Rose has implied that Dulwich residents need to stop making short car journeys. What evidence does Southwark have that Dulwich residents are making unnecessary short car journeys, and does this justify the pollution caused by forcing residents to take long detours to complete all journeys?

**Response by Councillor Catherine Rose, Cabinet Member for Leisure, Environment and Roads**

Councillor Rose has not stated or implied that Dulwich residents need to stop making short car journeys.

**5. Caroline Connellan (Clive Hill-Archer to attend on behalf)**

Please can you confirm that the forthcoming consultation and review of Dulwich traffic measures will not be predicated on assumptions about 'traffic evaporation' which, if they turn out to be incorrect, will likely cause serious harm to residents, schools and others on the 'displacement routes'?

**Response by Councillor Catherine Rose, Cabinet Member for Leisure, Environment and Roads**

Full details of the review for the Dulwich area LTNs are intended to be published to the council website later this month. The launch of the review will be accompanied by a newsletter delivered to all properties in the review area providing details of the review and how to access the relevant web page.

**6. Bridget Furst**

Councillor Rose has indicated that permits will be made available to blue badge holders and other vulnerable groups. Given the clear harm that forcing residents to detour onto main roads is causing, and the lack of any technical obstacles, why is a more general permit scheme not being made available?

**Response by Councillor Catherine Rose, Cabinet Member for Leisure, Environment and Roads**

I can confirm that permits will be available to Blue Badge holders. The traffic measures currently in place are designed to encouraging alternate means of travel such as cycling or walking.

Allowing a more general permit scheme would not support the objectives of the schemes.

**7. Richard Aldwinckle**

Given the abuse and intimidation that has been directed at members of the Dulwich Alliance, including traders, will the cabinet confirm that they deplore such behaviour, and that they will ask councillors to refrain from any actions that could be interpreted as condoning such behaviour?

**Response by Councillor Catherine Rose, Cabinet Member for Leisure, Environment and Roads**

All councillors will be aware of the code of conduct expected.

If you believe that a councillor has breached the code of conduct, please raise a complaint to the monitoring officer by completing the breach of the member code of conduct complaint form that can found at the below web page link.

The web page also explain the arrangements for dealing with complaints:  
<https://www.southwark.gov.uk/council-and-democracy/councillors-and-mps/your-councillors?chapter=2>

**8. Linda Oliver**

Could the cabinet please confirm the specific steps it has taken and is going to take to help local businesses in Dulwich, in light of the business issues they are facing due to the current experimental traffic orders (ETOs) and their almost uniform objection to them?

**Response by Councillor Catherine Rose, Cabinet Member for Leisure, Environment and Roads**

The council is looking at various measures to help businesses in the Dulwich area, primarily related to providing additional and improved parking arrangements.

**9. Richard Cail**

Please can you confirm that the Dulwich roads consultation due to be announced shortly will allow residents, businesses, schools and other respondents within and without the affected areas to express a clear view as to whether or not they would like the experimental traffic orders (ETOs) to be retained in their current form?

**Response by Councillor Catherine Rose, Cabinet Member for Leisure, Environment and Roads**

Full details of the review for the Dulwich area LTNs are intended to be published to the council web pages later this month. The launch of the review will be accompanied by a newsletter delivered to all properties in the review area providing details of the review and how to access the relevant web page, which will contain links to a survey questionnaire where all stakeholders can state their views.

**10. Alex Hamilton**

The 24/7 experimental closure of Court Lane for the Covid-19 crisis has significantly obstructed the expeditious movement of traffic required by the council's network management duty. Will the council have regard for this duty when the crisis is over and restore through movement either partially or totally?

**Response by Councillor Catherine Rose, Cabinet Member for Leisure, Environment and Roads**

The council will consider all possible alternatives to the individual elements of the LTN measures before the end of the trial period. Any decisions will be based on all aspects of the highway authority statutory responsibilities, including those attributable to the Traffic Management Act.

## 11. Grahame Merrifield

Last autumn the London Ambulance Service (LAS) wrote to Southwark Highways listing 10 instances of delays caused by the hard closures of Calton Avenue with diverted vehicles (DV) and hard closures in and around Melbourne Grove. They asked for cameras to be installed instead. Why is the council ignoring the wishes of the LAS?

### **Response by Councillor Catherine Rose, Cabinet Member for Leisure, Environment and Roads**

The council continues to work closely with the London Ambulance Service and meets regularly to consider any potential changes to the trial LTN measures.

As a result of these discussions, a number of sites have been converted to timed closures enforced by cameras. The council works with the London Ambulance Service and all blue light services to ensure the right local solution is found.

Dulwich Village has a combination of a physical closure and a number of camera gates in operation elsewhere.

## 12. Catherine Mitchell

Why is our money being wasted on low traffic neighbourhood (LTN) schemes that we do not want?

### **Response by Councillor Catherine Rose, Cabinet Member for Leisure, Environment and Roads**

The council delivers a broad range of transport measures to reduce traffic, improve safety and encourage walking, cycling and public transport use. The planned investment programme for 2020/21 was agreed by cabinet and can be found here:

<http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CIId=302&MIId=6416&Ver=4>

The pandemic and changes to funding structures have resulted in Transport for London requiring all councils to produce a Streetspace Plan in order to explain their investment programme during the pandemic, and this can be accessed here:

<http://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?AllId=57398>

## 13. Sophie Daranyi

50% or fewer with disabilities possess a blue badge - partly as it is an arduous process to get one - what do Southwark Council intend to do for the

other 50% of the disabled or elderly in the area to prevent negative impact of increased journey times and access they are enduring from the closures?

**Response by Councillor Catherine Rose, Cabinet Member for Leisure, Environment and Roads**

Southwark Council has led the way on this matter and is one of the only council's in London to have taken action to support Blue Badge holders, ensuring that they are exempt from fines if they need to use a camera controlled route to gain the quickest access to their own homes.

Badges are issued to those who apply and evidence eligibility, based on legislation.

**14. Marianne Kavanagh**

Southwark have made assertions about road closures being good for businesses which are not supported by the cited evidence or by the experience of Dulwich traders. Please can Southwark confirm that such misleading assertions will not be repeated in the forthcoming consultation ?

**Response by Councillor Catherine Rose, Cabinet Member for Leisure, Environment and Roads**

Full details of the review for the Dulwich area LTNs are intended to be published to the council web pages later this month.

**15. Lianne Ludlow**

Which traffic monitors and available data sets will you be using to assess displacement, traffic flows and congestion around low traffic neighbourhoods (LTNs) and how will you be modelling pollution and assessing its impact on residents, schools, pedestrians and businesses? Please break this down in detail.

**Response by Councillor Catherine Rose, Cabinet Member for Leisure, Environment and Roads**

Full details of all reviews are intended to be published to the council web pages. The details will include a Monitoring Plan which sets out the proposed monitoring regime.

**16. George Derrick**

How does the council reconcile its own evidence and statement that nitrogen dioxide (NO<sub>2</sub>) levels in the borough have been gradually falling but are still commonly found at illegally high levels on residential main roads with the introduction of low traffic neighbourhoods (LTNs) which displace and

concentrate traffic and pollution onto those same residential main roads?

**Response by Councillor Catherine Rose, Cabinet Member for Leisure, Environment and Roads**

Highways measures are one of the few tools the local authority has to encourage traffic evaporation, leading to overall better air quality for everyone.

Road closures and traffic filters may cause short-term highways impacts on traffic flow across other roads. As they are done as experimental measures, it may be possible to mitigate the local traffic impacts with other traffic measures, e.g. re-phasing lights to account for locally varied traffic volumes and speeds. The area reviews will help us to understand, identify and support that work even further.

The long term trend in pollution is downwards due to improvements in engine combustion technology, reducing percentage of Internal Combustion Engine vehicles, and policies like the ultra-low charge emission zone (ULEZ). But we must work with Transport for London (TfL) to improve the main road network even further.

**17. Penny Morgan**

Southwark's traffic measures in Dulwich risk displacing traffic from roads with low pollution and high car ownership to boundary roads with already high pollution and low car ownership. Please can you confirm that the burden of proof is with Southwark to prove that this has not happened?

**Response by Councillor Catherine Rose, Cabinet Member for Leisure, Environment and Roads**

The council is shortly to carry out a comprehensive review of the Dulwich area LTN measures.

Full details of the review are intended to be published to the council web pages later this month.

One of the areas to be considered as part of the review is any change to traffic patterns.

**18. Cathy Braganza**

The council have been contacted by many residents and businesses negatively affected by the Dulwich Village low traffic neighbourhoods (LTN), many in different council wards and even different boroughs. Will all of these people's responses be equally weighted as those who have benefitted from the measures in the upcoming review?

**Response by Councillor Catherine Rose, Cabinet Member for Leisure, Environment and Roads**

It is proposed that full details of the review for the Dulwich area LTNs will be published to the council web pages later this month.

**19. Claire Hitchcock**

We can see, hear and smell the huge increase in idling traffic and pollution outside our homes. When will a 'fair and just' Labour-run council stop experimenting on our and our families' health?

**Response by Councillor Catherine Rose, Cabinet Member for Leisure, Environment and Roads**

Transport accounts for up to half of the air pollution in London. The government sets the national framework of road building, laws and taxation for motor vehicles. Within this framework the borough, alongside Transport for London, undertakes the monitoring of traffic levels, behaviour and network performance of our roads. This information is reported within the borough's annual report and TfL's Travel in London reports.

The council's transport policies and funding are focussed on reducing traffic and increasing walking, cycling and public transport to help reduce air pollution. The government, via TfL, provide the council with funding to carry out a number of transport projects in the borough each year.

The council monitors our projects to ensure the impact of the works are better understood and to enable further mitigations, adaption or changes as required.

**20. Henna Sherazi-Selby**

Croxted Road Residents Association had a meeting with Councillor Rose on the 12 February 2021 where she assured us that there would be additional air quality monitoring for our road. Can you confirm whether this is still planned and who at the council we can contact about this?

**Response by Councillor Catherine Rose, Cabinet Member for Leisure, Environment and Roads**

There were previously two NO<sub>2</sub> diffusion tubes deployed in this area. Following discussions with local residents and ward councillors, an additional diffusion tube has been deployed in February on Croxted Road between the two bridges.

Following my meeting with residents, officers are working on a substantive response to the requests made for further additional resources of monitoring



and modelling and exploring collaborative working with our neighbouring borough of Lambeth.

**21. Charles Cary-Elwes**

24/7 closure of the Dulwich Village Junction and other roads discriminates against vulnerable groups, impedes emergency services, causes pollution near schools and health centres and traffic congestion on Lordship Lane, South Circular, East Dulwich Grove and Croxted Road.

**Response by Councillor Catherine Rose, Cabinet Member for Leisure, Environment and Roads**

Your comment has been noted.

**22. Jean Cary-Elwes**

By law, the council must carry out a fair and transparent Village-wide consultation with residents and stakeholders as part of its review of the temporary low traffic neighbourhoods (LTN). When will this consultation begin? What form will it take? Will you guarantee that the results will be published immediately?

**Response by Councillor Catherine Rose, Cabinet Member for Leisure, Environment and Roads**

Full details of the review and associated consultation are intended to be published to the council web pages later this month.

The results of the review will be published to the council web pages when complete.

**23. Andrew Grant**

Southwark Council have spent more than £18,000 on air quality monitoring for the Walworth low emissions neighbourhood. The council rightly felt that air quality monitoring was valuable and a valid way to assess this scheme. Why has the council chosen not to add additional air quality monitoring for other low traffic neighbourhood (LTN) schemes?

**Response by Councillor Catherine Rose, Cabinet Member for Leisure, Environment and Roads**

The £18k spent on air quality monitoring at Browning Street and Liverpool Grove, together with additional diffusion tubes in the established Walworth low emission neighbourhood (LEN), was pre-planned in 2019, and was deployed with sufficient time before the road closure interventions on those two streets to allow a comparison of data collected before and after road

closures.

Where road closures are undertaken at short notice such as the low traffic neighbourhoods (LTNs), it is not always possible to gather the same level of baseline data for comparison with a data set collected after the intervention. Due to annual, seasonal, and weather based fluctuations in air quality. Air quality monitoring data will also need to be supplemented with air quality modelling data drawn from traffic surveys and weather data. We are putting appropriate additional resources into air quality monitoring across other LTNs.

#### **24. Chris Kent**

We have been assured by councillors that they are working on solutions to the displaced traffic on Croxted Road but so far have had no further details. What are the proposed solutions and how will these address the increased traffic and pollution we are currently facing outside our homes? Please can you share specific details?

#### **Response by Councillor Catherine Rose, Cabinet Member for Leisure, Environment and Roads**

Croxted Road is to be included in the forthcoming review of the Dulwich area LTN measures.

Full details of the review are intended to be published to the council web pages later this month.

#### **6. MINUTES**

##### **RESOLVED:**

That the minutes of the meeting held on 2 February 2021 be approved as a correct record and signed by the chair.

#### **7. DEPUTATION REQUESTS**

Three deputation requests were received for cabinet and were not accepted for the following reasons:

##### **1. Leaseholders at Devon Mansions**

Arrangements had been made for council officers to examine the detailed issues submitted and to meet with residents separately to discuss.

## 2. Dulwich Alliance

## 3. Lordship Lane residents and businesses

In respect of the deputations received from 2 and 3 above, similar requests had been considered by cabinet recently.

The leader of the council announced that deputations and public questions serve the purpose of bringing matters to cabinet attention, but that the ongoing dialogue and discussion can continue effectively outside the cabinet process and by other means and established processes.

## 8. TEMPORARY ACCOMMODATION POLICY AND ACTION PLAN

### RESOLVED:

#### Decisions of the Cabinet

1. That the temporary accommodation policy and action plan report be noted and it be agreed to publish and implement the Southwark Good Homes Standard (for homeless households) (Appendix 6 of the report).
2. That it be agreed that an annual temporary accommodation (TA) scrutiny report be produced.
3. That it be noted that homeless households in temporary accommodation placed outside of the borough will retain their rights to bid for Southwark's permanent social housing.

#### Decisions of the Leader of the Council

4. That authority be delegated to the cabinet member for social support and homelessness to bring forward (individual decision making) IDM to agree:
  - a. The revised accommodation procurement policy for homeless households (Appendix 1 of the report) including a revised temporary accommodation supply action plan.
  - b. The revised private rented sector offers policy for homeless households (Appendix 2 of the report).
  - c. The revised temporary accommodation lettings framework (Appendix 3 of the report).

## 9. DISCRETIONARY SERVICE CHARGE LOAN POLICY REVIEW

Councillor Evelyn Akoto, having declared declared a disclosable pecuniary interest in respect this item as a leaseholder, did not participate in the discussion on this item.

### RESOLVED:

#### Decisions of the Cabinet

1. That the contents of the report proposing changes to improve the current discretionary service charge loan policy be noted.
2. That the changes to the policy as recommended in paragraphs 20-28 of the report be agreed.

#### Decisions of the Leader of the Council

3. That authority be delegated to the cabinet member for housing to agree a revised comprehensive policy reflecting the changes proposed in this report, and to review and if appropriate amend it, every five years, or sooner if a significant event occurs (as defined by the Financial Conduct Authority (FCA)).
4. That authority be delegated to the strategic director of finance and governance to review the service charge loan interest rates on an annual basis, in order for the council to be more reactive to business, economic and environmental changes.

## 10. GATEWAY 1 - PROCUREMENT STRATEGY APPROVAL - LEASEHOLD AND ANCILLARY PROPERTIES BUILDINGS INSURANCE

Councillor Evelyn Akoto, having declared declared a disclosable pecuniary interest in respect this item as a leaseholder, did not participate in the discussion on this item.

### RESOLVED:

#### Decision of the Cabinet

1. That the procurement strategy outlined in the report to undertake a procurement in line with the Public Contract Regulations 2015 (PCR) for the leasehold and ancillary properties buildings insurance contract (including a separate claims handling service) for a period of three years commencing 1 April 2022, with an option to extend for two twelve month extensions, making a total estimated contract value of up to £25.57m be approved. The estimated total contract value is up to £5.1m per annum (including insurance premium

tax at 12%).

### **Decision of the Leader of the Council**

2. That authority be delegated to the cabinet member for housing to award the contract for the reasons set out in paragraph 12 of the report.

### **11. INVESTMENT PROPOSAL FOR PLOTS A1, A2 AND K1 AT CANADA WATER**

#### **RESOLVED:**

That further to the Master Development Agreement (MDA) between the council and British Land (BL) the council should invest its land only in plots A1, A2 and K1.

### **12. STRATEGIC PROPERTY PURCHASE: STORK ON THE HILL MIDWIFERY CENTRE, BLANCHEDOWNE, DENMARK HILL**

#### **RESOLVED:**

1. That pursuant to s17 of the Housing Act 1985 the freehold interest in the land edged red on the plan at Appendix A of the report be acquired by the council in accordance with the principal terms set out substantially in paragraph 15 of the report and fully in paragraph 3 of the closed version of the report.
2. That authority be delegated to the director of regeneration to agree detailed terms of the transaction.

### **13. FORMER GARAGES ADJACENT TREVITHICK HOUSE BERMONDSEY**

#### **RESOLVED:**

1. That the land shown edged red on the plan at Appendix A of the report that is currently held for housing purposes be confirmed as no longer required for those purposes and the appropriation of the land to planning purposes to facilitate the carrying out of the development proposals for the area in accordance with section 226 of the Town and Country Planning Act 1990 and section 122(1) of the Local Government Act 1972 be approved.
2. That it be confirmed that following completion of the appropriation at paragraph 1 of the report, the land shown edged red on the plan at Appendix A of the report will no longer be required for planning purposes and the appropriation of the land to housing purposes in accordance with section 9 of the Housing Act 1985 and section 122(1) of the Local Government Act 1972 be approved.

**14. GATEWAY 2 – CONTRACT AWARD CARE AT HOME AND IN THE COMMUNITY FOR CHILDREN & YOUNG PEOPLE**

**RESOLVED:**

1. That the establishment of a single-lot framework agreement for the provision of Care at Home and in the Community for Children & Young People (CYP Care at Home) for a period of up to four (4) years from 3 May 2021 be approved for an estimated total value of £4.8m and the deviation from the original gateway 1, namely that Southwark Clinical Commissioning Group (CCG) had given notice that it did not wish to further its participation in a joint procurement process be approved.
2. That the six named providers for the single-lot CYP Care at Home Framework Agreement as set out be approved:
  - Verity Healthcare Ltd
  - Supreme Care Services Ltd
  - De Vere Care Partnership
  - Contact Professionals
  - Diamond Resourcing Plc t/a Better Healthcare Services
  - Unique Personnel (UK) Ltd.

**15. GATEWAY 0 - STRATEGIC OPTIONS ASSESSMENT FOR THE FUTURE DIRECTION OF THE TREE SERVICE**

**RESOLVED:**

1. That it be noted that there is a need to review the way in which tree services are delivered and to consider new and more effective delivery models.
2. That the outcomes of the tree services strategic options assessment which recommends moving to a 'mixed economy model' with in house client management and tree planting teams and an outsourced tree works service, detailed in paragraphs 61 to 64 of the report be noted.
3. That it be noted that that any impact on existing council employees as a result of the recommended option will be carefully considered and appropriate consultation with staff and recognised Trade Unions will take place. More detail about the consideration of the impact on staff can be found at paragraph 85 of the report.
4. That officers bring a gateway 1 report to cabinet in 2021 for the procurement of the external tree works services.
5. That the detailed proposals be worked through with the stakeholders particularly to ensure that the best option is considered for tree management,

looking at all options including whether there is any further potential to do any aspects in-house.

## **16. GATEWAY 0 - APPRAISAL OF MANAGEMENT OPTIONS FOR LEISURE CENTRES**

Councillor Ian Wingfield was in attendance to confirm the recent consideration of this item by the overview and scrutiny committee. Cabinet thanked the committee for their work in respect of this matter.

### **RESOLVED:**

1. That it be noted that the council's current contract with Sport and Leisure Management Limited (SLM) ends in June 2023 and this provides the council with the opportunity to consider a new and more effective delivery model for its leisure service.
2. That the outcome of the leisure service strategic options assessment which demonstrates that insourcing, outsourcing or creating a Local Authority Controlled Company (LACC) are all reasonable management options for the council to consider, be noted.
3. That it be noted that insourcing the leisure service is currently the preferred option in that it addresses a number of key drivers for change, and provides the council with a range of benefits, as detailed in paragraphs 12 – 19 of the report.
4. That the associated advantages and risks with insourcing the leisure service, as detailed in Tables 4 and 5 of the report be noted.
5. That it be noted that the recruitment of an experienced programme manager is required on a fixed term basis to implement the planning, and oversee the delivery, of the next steps of the preferred in-house option. In addition a strategic outcomes planning strategy is needed which will be undertaken by an external consultancy.
6. That, subject to the approval of the recommendations in this gateway 0 report, a gateway 1 paper is brought to cabinet in autumn 2021 to seek approval to a proposed insourcing strategy, which will include a detailed programme and implementable plan to bring the leisure service in-house.

**17. PUBLIC SPACE PROTECTION ORDER EXTENSION - TO TACKLE DOG RELATED ANTI-SOCIAL BEHAVIOUR**

**RESOLVED:**

1. That the continuation of Public Space Protection Orders (PSPOs) for dog-related anti-social behavior without variation until March 2024 be approved.
2. That the findings of the review of the Public Space Protection Orders (PSPOs) to tackle dog-related anti-social behavior (ASB) be noted.
3. That it be noted that a further review (including consultation with key stakeholders) of the PSPO to tackle dog-related anti-social behaviour will start in March 2022, with a view to renewing the PSPO by 31 March 2024, subject to the outcome of the review.

**18. GATEWAY 1 - PROCUREMENT STRATEGY APPROVAL - FACILITIES MANAGEMENT CONTRACT PROCUREMENT FOR THE OPERATIONAL ESTATE**

**RESOLVED:**

1. That the following recommendations be approved:
2. To bring the corporate facilities management (CFM) cleaning services outlined in paragraph 59 of the report in-house on expiry of the current contract in September 2022.
3. To procure the remaining hard and soft facilities management (FM) services recommended in the procurement strategy (outlined in paragraphs 34 to 35 of the report) via a further competition process using the Crown Commercial Services (CCS) framework agreement, RM3830 at an estimated annual cost of £7.6m for 4 years totalling £30.4m with an option to extend by a further two years, totalling an estimated £45.6m
4. That potential (not guaranteed) lifecycle capital investment works to the value of £3.5m per annum (outlined in paragraph 35), thereby increasing contract cost up to £66.6m be approved.
5. That the amendment to the approach approved in the gateway 0 report, in line with the recommended new procurement strategy as set out below be noted.
6. That the gateway 2 decision be delegated to the strategic director for housing and modernisation, for the reasons outlined in paragraph 39 of the report.



**19. EXTENSION OF THE MITIE FM LTD (INTERSERVE) FACILITIES MANAGEMENT CONTRACT**

**RESOLVED:**

1. That the variation to extend the term (and agree associated changes noted in the report) of the consolidated facilities management (FM) contract with Mitie FM Limited (Mitie) (previously known as Interserve (Facilities Management) Limited (Interserve) as outlined in paragraph 8 of the report, for a period of up to 18 months, from 01 April 2021 to 30 September 2022, at an estimated total cost of £16m be approved.
2. That it be noted that from the contract start date 1 February 2013 to 30 September 2022 the estimated total contract value would be £79m.
3. That it be noted that a three-month break clause will be sought as part of the variation to allow for an earlier end to the contract if required, as further detailed in paragraph 14 of the report.

**MOTION TO EXCLUDE THE PRESS AND PUBLIC**

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

The following is a summary of the decisions taken in the closed part of the meeting.

**20. STRATEGIC PROPERTY PURCHASE: STORK ON THE HILL MIDWIFERY CENTRE, BLANCHEDOWNE, DENMARK HILL**

The cabinet considered the closed information relating to this item. Please see item 12 for the decision.

**21. GATEWAY 2 – CONTRACT AWARD CARE AT HOME AND IN THE COMMUNITY FOR CHILDREN & YOUNG PEOPLE**

The cabinet considered the closed information relating to this item. Please see item 14 for the decision.

The meeting ended at 12.40pm.

**CHAIR:**

**DATED:**

**DEADLINE FOR NOTIFICATION OF CALL-IN UNDER SECTION 17 OF THE OVERVIEW AND SCRUTINY PROCEDURE RULES IS MIDNIGHT, WEDNESDAY 17 MARCH 2021.**

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

<b>Item No.</b> 8.	<b>Classification:</b> Open	<b>Date:</b> 15 June 2021	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Policy and Resources Strategy: Financial Remit 2022-23 and Scene Setting, Fairer Futures Budget Principles update	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Rebecca Lury, Finance, Performance and Democracy	

### **FOREWORD - COUNCILLOR REBECCA LURY, CABINET MEMBER FOR FINANCE, PERFORMANCE AND DEMOCRACY**

This report begins the Council's 2022-2023 budget planning process in the context of a draft set of refreshed Fairer Futures Budget Principles. It is dominated by huge financial uncertainties. The impact of COVID-19 on our communities, services and finances has been acute and the route and length of recovery remains difficult for us to plot.

The budget process will culminate in setting the budget and council tax in February 2022. The council has a statutory duty to set a balanced budget each year.

The report assesses the financial impact of Covid-19 and reviews other key financial assumptions and issues that the council needs to consider in making its plans for the period and to ensure that the budget and financial strategy continues to align with the priorities in the Council Plan.

We have been through a decade of financial austerity and now look set to face further significant turbulence as a result of the Covid pandemic, the fallout from Brexit and the future funding of local government. Over the last decade we have focused on the delivery of our Council Plan and fairer future promises. We have consistently promised value for money and committed to spending money as if it were from our own pocket. It is vital that we continue to maintain strong financial management at this time in order that we can do the best for our residents, communities and businesses.

The report sets out an approach for the budget process for 2022-23 that takes account of the above and the requirement to identify savings options that fit within the overall policy and financial framework, aligning resources to the council's key priorities and approach to recovery and renewal.

At this stage there are a great many assumptions and uncertainties, and the financial and economic conditions are continually changing, along with the government response. In addition to inflationary and pay pressures, including the revenue consequences of the council's ambitious capital investment programme, we continue to face demands and pressures on our services, particularly the High Needs Block of the DSG, where the deficit at 31 March 2021 was £21m, adult's and children's social care, homelessness, welfare support and other emerging pressures, for example lost contractual income.

This financial remit report is therefore being compiled in a period of unprecedented financial uncertainty. The report considers the most likely financial position to be faced by the council in 2022-23. The forecast however includes a range of assumptions which may prove to be incorrect; sensitivity testing around these assumptions indicates a significant range of outcomes. The 'most-likely' projected funding gap for planning purposes is £19.4m in 2022-23, but this is in a range of £14m best case to £26.4m in the worst case.

Despite the challenges, this administration remains determined to keep our promises, to protect and modernise our services and to maintain excellent financial planning that is more than fit for the future.

## RECOMMENDATIONS

That cabinet note:

1. The progress made on updating the Fairer Future Budget Principles (see draft at Appendix 1) and that a final version will be brought back to cabinet for approval later this year;
2. Continuing financial uncertainty as a result of a number of factors:
  - A one year spending review in 2020 providing no indication of funding for 2022-23 and beyond
  - The postponement of the planned reforms of local government finance (Fair Funding Review, Business Rate Retention arrangements) previously intended to be implemented from April 2021
  - The ongoing deferment of the Business Rates reset
  - A published white paper on Social Care but no clear indication of if, how or when proposals might be implemented
  - The impact of the Covid-19 pandemic on spending, income and savings plans and the pace of recovery
  - The extent of government support to offset the financial cost to the council of the pandemic in 2021-22 and beyond
  - Any local impact arising from the national and global economic environment following the pandemic
  - Economic and financial impacts to the council of exiting the European Union;
  - The current absence of any certainty of funding streams to support climate emergency plans.
3. That the accumulated deficit on the Dedicated Schools Grant was £21m at 31 March 2021 with the prospect of achieving any meaningful reduction without additional funding from the Department for Education being remote;
4. That financial planning is extremely challenging, with a range of potential scenarios suggesting a funding gap in 2022-23 of anywhere between £14m and £26.4m and that, subject to the inherent uncertainties, the central forecast indicates a potential budget gap of £19.4m in 2022-23.

5. The central budget forecast is based on the assumptions set out at paragraph 21, with the key assumptions being:
  - Government funding rises in line with inflation, with the exception of:
    - New Homes Bonus – expected reduction of circa £3.5m resulting from ending of current scheme
  - The Fair Funding review and Business Rate Retention reset will be delayed again until 2023-24
  - Additional costs arising from pay and prices (both 2%)
  - Additional debt financing costs arising from additional capital projects (£2.5m)
  - Council tax will increase by the maximum amount allowed (1.99%)
  - No additional precept for adult social care
  - Council Tax and Business Rate losses arising from the pandemic and associated economic circumstances will be neutralised by a combination of government compensation schemes, service efficiencies and savings and, where appropriate, contributions from earmarked reserves
  - Existing budgeted council income streams will be achieved in 2022-23.
6. The Strategic Director of Finance and Governance, with the support of other Strategic Directors, will look to establish medium term budget plans, reviewing any decisions previously taken.
7. The Strategic Director of Finance and Governance, with the support of other Strategic Directors will seek to prepare indicative savings options and commitments, initially for 2022-23.
8. Cabinet will receive further reports in the autumn including modelling and proposals for future years as further information regarding funding is made available.

## **BACKGROUND AND PURPOSE**

9. Each year, the council updates a detailed Policy and Resources Strategy covering a period that normally reflects the duration of the government's financial settlement. As part of the Policy and Resources Strategy, and in line with requirements of the local government finance act, budgets are approved by Council Assembly for the next financial year as part of Council Tax setting. Where the settlement provides provisional funding commitments for more than one year, budgets may be agreed indicatively for a longer period.
10. For many years this process has formed the pivotal component of the council's financial planning process. This strategy, and the formal approval by Council Assembly, sits at the heart of the council's commitment to financial planning and efficiency. Most importantly, the strategy is bound to the policies of the council and not least by the commitments in the Fairer Future Borough Plan.
11. In September 2015, the council adopted the Fairer Future Budget Principles that confirmed the framework within which the Policy and Resources Strategy is formed. These principles are in the process of being refreshed and a draft version is included at Appendix 1 for consideration and comment with a view to bringing back a final version for approval later in the year. In September 2016 the cabinet

approved the Fairer Future Medium Term Financial Strategy (FFMTFS) and Integrated Efficiency Plan noting the relationship to the Council Plan and the new theme to be fit for the future. The FFMTFS was aligned with the four year local government finance settlement announced in February 2016. 2019-20 was the fourth and final year of the four year settlement.

12. Between 2011-12, the first year of the major austerity cuts, and 2019-20, the council lost government funding in cash terms of more than £146m. According to government calculations, lost spending power exceeded £85m during the same period. Neither of these figures allowed for the real terms impact of price and demand pressures. In addition, the council has committed to priorities that have needed to be funded through a limited number of sources. During this period the council has also looked to keep council tax as low as possible, protecting the most vulnerable. Southwark remains the eighth lowest council tax rate in London.
13. The recently updated Borough Plan is the council's overarching business plan. The Borough Plan contains a range of promises and commitments which the council has worked towards since 2018. These plans have recently been reviewed and refreshed in light of the changing environment we operate in, not least as we begin to emerge from the pandemic.
14. Council Assembly of 24 February 2021 approved a balanced budget and council tax for 2021-22. This was a one year budget due to the uncertainty around future funding.
15. This report notes the current position with regard to the funding of the Council and presents a draft set of refreshed Fairer Future Budget Principles aligned to the updated Borough Plan.

## **KEY ISSUES FOR CONSIDERATION**

16. This report sets out an initial financial outlook for 2022-23. There continues to be great uncertainty, both with respect to central government funding and in terms of the economy as a whole as the impact of a year of lockdown starts to become apparent.
17. Whilst central government funding has broadly covered pandemic costs to-date, it is unclear how long this will continue for. If the re-opening of the economy is slower than anticipated and national employment rates continue to decline or stagnate then a resulting recession could have serious implications for the council's income streams. The cessation of the furlough scheme in September could add further pressure to the council's support services.
18. The postponement of funding reforms and the absence of government spending plans mean that there is maximum funding uncertainty, making the preparation of medium-term financial plans highly complicated and speculative. Whilst this report covers the year 2022-23, it is anticipated that future reports this year will include a longer-term view as and when sufficient information becomes available.
19. The Spending Review which sets out the overall quantum of central government

funding to local government took place in November 2020 and, whilst broadly neutral, relied heavily on the assumption that local councils will continue to raise council tax. The Fair Funding Review and new funding baselines within a 75% business rates retention scheme were planned to be implemented by April 2021, however these have been delayed and no firm date has yet been given. Both could have serious implications for the council's finances in future years.

20. This financial remit report is therefore being compiled in a period of unprecedented financial uncertainty. The report considers the most likely financial position to be faced by the council in 2022-23.

21. At this stage the 'most-likely' budget scenario is based on the following assumptions:

- That further comprehensive financial support will be provided by the government to support local authorities in respect of the pandemic
- That the council's major revenue income streams (business rates, council tax, fees & charges and commercial income) will continue to be adversely impacted by the Covid-19 pandemic
- Baseline funding will increase in line with inflation
- the Fair Funding Review and 75% Business Rate Retention will not be implemented in April 2022
- The major grant funding streams, i.e. Public Health Grant, Improved Better Care Fund and Social Care Grants will continue at 2021-22 levels
- That, following the cessation of the New Homes Bonus scheme on 31 March 2021, the residual payments and any replacement scheme will result in a net grant reduction of around £3.5m
- Business Rates reset will be postponed to April 2023. The council is likely to lose around £13m as a consequence of the Business Rate Baseline Reset mitigated by the use of reserves set aside for this purpose;
- Subject to further analysis, net inflation and pay award pressures of £8m have been assumed in the most likely scenario
- Increased debt financing costs arising from the approved capital programme and potential additional funding for investment projects (£2.5m in 2022-23)
- Council tax increase in 2022-23 of 1.99%, with no changes in the local council tax support scheme; no additional adult social care precept has been assumed
- Retaining the contingency of £4m within the overall budget to support in year cost pressures.

22. On the basis of the assumptions made at this time, it is estimated that net savings of £19.4m will be required in 2022-23.
23. These assumptions will be continually reviewed and updated as firmer information becomes available.
24. In the event of further clarity and greater certainty of government funding streams, we will need to develop our medium term budget plans and review any decisions previously made. Resetting the MTFs and managing risk will require careful attention following the pandemic and as we enter a period of recovery and renewal.

### **COVID-19 Pandemic financial implications**

25. The Covid-19 pandemic continues to have a considerable impact on the council. The pandemic is hitting our residents, public institutions, businesses and voluntary and community organisations hard. It has required an unprecedented response to mobilise the resources, skills and good faith of many across the borough. We will continue to do all we can to support our residents, communities and local businesses, to keep key services running and ensure that those who need help get it.
26. The council has had to put considerable additional resources into services to ensure that the most vulnerable in our community are cared for and that the local economy is protected. The economic impact has been profound, and we continue to experience both additional costs and lost income across our services.
27. Whilst the initial financial impact of the pandemic has broadly been covered by central government funding, the medium and long-term liabilities remain a significant risk. The council has sought in recent years to build up its general reserve and financial risk reserves to ensure it is financially resilient. However, sustained disruption to our operating environment and the wider economy remains a reasonable probability and the organisation will need to remain vigilant and proactive in its approach to dealing with emerging risks.
28. The council has already begun to adapt to the changing environment and this is reflected both in the Borough Plan and also in service reviews, the medium term financial strategy and our capital investment priorities.

### **Local Government funding reform**

29. It remains the government's intention to implement new funding baselines for all local authorities. The new baselines will be based on the government's review of local needs and resources (the Fair Funding Review), the introduction of 75% business rates retention and resetting business rate baselines. The last time the 'needs based assessment' was updated was for the 2013-14 settlement.
30. However, due to the pandemic, the Government announced that:
  - the review of relative needs and resource and the introduction of 75% business rates retention would no longer be implemented in April 2021 as planned



- the revaluation of business rates, due to take place in April 2021, will now come into effect in April 2023
  - the fundamental review of business rates is expected to be published in 'autumn' 2021.
31. Whilst the government's stated intention is to implement funding reform with effect from 1 April 2022, this timeline seems ambitious in the current context (and given previous delays) and so the central budget forecast assumes a further delay to these plans. If the government consults on these changes in summer 2021, or provides clear a clear indication that implementation is imminent then the council will update its assumptions accordingly.

### **Spending Review**

32. The main strategic funding decisions of central government as they relate to local government are normally made at each Spending Review; although these have been supplemented at subsequent annual Local Government Finance Settlements.
33. The 2020 Spending Review was reduced in scope due to uncertainty caused by the pandemic and covered one-year only (2021-22). Whilst the impact was broadly neutral for local government, the published 4.5% increase in spending power was largely dependent on the assumption of 5% council tax increases, placing additional financial burden on the taxpayer. As yet we have no indication of the likely settlement for 2022-23 and early visibility of local government funding would help local government plan and make effective decisions.

## **UPDATED FINANCIAL REMIT 2022-23**

### **FUNDING FORECAST**

34. The main funding sources for the council are:
- Settlement Funding Assessment (SFA) (comprising retained business rates, a top-up or tariff and Revenue Support Grant)
  - Core revenue grants;
  - Revenue funding from local taxation (council tax and retained business rate growth)
  - Fees and charges.
35. Reliance on locally generated resources has increased significantly since the new funding regime post April 2013. This means the council is far more exposed to the risks arising from income volatility, i.e. business rate growth and losses, council tax income and from fees and charges and commercial income.
36. The pandemic has had major financial consequences for income in 2020-21 and the impact of any continued economic downturn for future council income means the uncertainty of impact is elevated:
- Income collection rates have been significantly impaired in 2020-21 – is this a

deferment, a one-off loss or a continuing trend?

- Reduced tax base growth in 2021-22 – to what extent will this impact in the medium term and what is the speed of recovery?
- Increased council tax support for working age claimants – has this yet reached a peak, when and how long to recover?
- Fees, charges and commercial income – service income has been hit hard by the pandemic, what will be the speed of recovery and impact of post lockdown new normal?

37. The impact of funding reform adds further levels of uncertainty for medium term financial planning.

### **Settlement Funding Assessment (SFA)**

38. Settlement Funding Assessment represents the core funding distributed by the government. It consists of Revenue Support Grant (RSG), the Business Rates Baseline and Business Rates Top-Up (or Tariff).

39. The forecast SFA is set out below:

	<b>2021-22 Budget £m</b>	<b>2022-23 Forecast £m</b>
Retained Business Rates (NDR Baseline)	-80.0	-81.2
Business Rates top-up	-35.9	-36.4
Revenue Support Grant	-36.6	-37.2
<b>Total Settlement Funding Assessment</b>	<b>-152.5</b>	<b>-154.8</b>

40. For 2021-22 the council was funded via a settlement funding assessment of £152.5m. The central case assumes the SFA will grow in line with inflation (our forecast 2%).

### **Revenue Funding from Local Taxation**

41. Local government finance is increasingly dependent on locally generated resources, principally council tax and business rates but also income from fees and charges and income from investment property. Whilst this provides opportunities, it also exposes councils to significant risk in terms of delivering growth and volatility year-to-year, for example exposure to loss of income from business rates appeals.

### **Business Rate Retention**

42. In addition to the retained business rate assumptions given by the government (the 'Business Rate Baseline'), authorities are able to generate additional resources through growth in the rateable value of business premises, above the baseline.
43. In the most likely scenario, it is forecast that business rate income will reduce by £1.9m, recognising the significant impact of the pandemic. This means that the council expects to benefit from £17m of growth in 2022-23 (£18.9m in 2021-22).

## **Council Tax**

44. Council tax income for 2021-22 is budgeted at £123m including a council tax increase of 1.99%. The council tax base has grown by over 20% since 2016-17 due to an increase in the number of homes, reduction in the cost of local council tax support and changes to the council tax on long-term empty properties.
45. In reviewing council tax income forecasts, major factors for consideration are:
- Increased take up of working age council tax support. This is likely to be a significant factor in council tax income losses. Claimant numbers have increased significantly and it is likely that numbers will continue to grow over the coming months. Further work will need to be undertaken to model the impact and forecast how quickly the numbers will reduce
  - Impact on collection rates. Council tax collection was adversely impacted in 2020-21. The extent to which these losses are recoverable and any longer term effect on collection rates remains to be seen.
  - The ongoing economic impact of the pandemic, plus the planned cessation of the furlough scheme in September will likely necessitate increased bad debt provisions and write-offs.

These factors will need careful scrutiny and review over the coming months.

46. In the context of the serious strains on council funding and the government assessment of individual authorities spending power (which assumes councils will increase council tax each year in line with referendum principles) for planning purposes an assumption of a 1.99% council tax increase has been assumed in the most likely scenario.

## **Adult Social Care Precept**

47. Since 2016-17 councils responsible for social care have been given the power to raise a social care precept. A 2% ASC precept was applied in 2016-17 and 3% in 2017-18 and 2018-19, 2% in 2020-21 and 3% in 2021-22 in order to continue to protect services for our most vulnerable residents. The additional funds bring the total value of the Adult Social Care precept to over £13m per annum.
48. The long awaited white paper on the future of Adult Social Care (and its integration with Health) has now been published. The government has stated its intention to implement some of the legislative proposals during 2022 and this was reiterated at the Queen's Speech in May 2021. Officers will keep developments under review throughout this process to ensure any potential financial or operational impacts are reflected in our plans.

## **Collection Fund surpluses and deficits**

49. The pandemic has seriously impacted on business rate and council tax income in 2020-21 and this seems likely to continue well into 2021-22. Any deficit on the collection fund in 2021-22 would normally be a charged to the budget in 2022-23 and 2023-24. Whilst some of the deficit will be offset by government funding and

compensation schemes, legislative provision has been made to enable the spreading of any remaining deficits over a three year period.

### London Business Rates Pooling Pilot

50. The council joined the London Business Rate Pool pilot arrangements for financial years 2018-19, 2019-20 and 2020-21.
51. The financial benefit of the pooling arrangement meant that 100% of business rate growth in 2018-19 and 75% of growth in 2019-20 was retained within London. The 2020-21 pooling arrangement was based on 67%. The council has received a share of the pool benefits (one-off resources in 2018-19, 2019-20 and 2020-21) for investment in initiatives set out in the February 2021 budget report.
52. In light of the unprecedented circumstances and significant financial risk presented by the economic environment anticipated in 2021-22, the business rate pool in London has been stood down. Whilst the financial and other benefits prior to this had been very clear, it was apparent that the continuation of the pool into 2021-22 could actually impair the finances of individual councils and London as a whole. No decision has yet been made with regard to restarting the pool in 2022-23 and subsequent reports will provide updates on this as and when information and modelling are available.

### Core Grants

53. In addition to baseline funding and revenue funding from local taxation, the council also receives a number of grants which the government includes in their presentation of local authority core Spending Power.
54. The forecast core grants are set out below:

	<b>2021-22 Budget £m</b>	<b>2022-23 Foreca st £m</b>
Public Health Grant	28.698	28.698
Section 31 Grant - outside of growth calculation	7.517	7.517
New Homes Bonus - residual	8.201	3.697
New Homes Bonus - replacement scheme (tbc)	0.000	1.000
Improved Better Care Fund	17.323	17.323
Social Care Support Grant	13.199	13.199
Lower Tier Services Grant	1.264	1.264
<b>Total</b>	<b>76.203</b>	<b>72.698</b>

55. Grants within Core Spending Power:

- New Homes Bonus. New Homes Bonus (NHB) is intended to incentivise

housing growth and rewards housing delivery – Southwark is due to receive £8.2m in 2021-22. The Government has announced that the scheme will not continue its current form and NHB payments in 2021-22 and 2022-23 will be legacy payments for previous growth only. We await confirmation of any follow-on scheme. The most likely scenario assumes a reduction of £3.5m.

- Improved Better Care Fund (IBCF). The improved Better Care Fund is made up of two parts, that which was initially included as part of the 2016-17 settlement and the supplementary funding announced as part of the spring 2017 budget. The utilisation of the supplementary grant has been agreed with the Health and Well Being Board for adult social care funding pressures. It is assumed that this funding will continue at the same level.
- Social Care Support Grant. As part of the autumn 2018 Budget the Chancellor announced additional grant funding for Social Care and winter pressures. This funding has now been combined as the Social Care Support grant and it has been assumed to continue at current level.
- Section 31 Business Rates compensation grant. The statutory arrangements for business rates retention means that the government must compensate councils for the loss in rate (under Section 31) arising from Government Budget or policy decisions, for example decreases in yield from transitional relief and other discounts. Estimates have been included based on latest returns and any future announcements should be neutral. This grant would likely end at any business rate reset and be subsumed within updated business rates baselines.

#### 56. Grants outside of Core Spending Power:

- Public Health Grant. Alongside the finance settlement, the government publishes the Public Health allocations. Southwark's allocation for 2021-22 was £28.698m. Prior to 2020-21, Public Health grant had reduced year on year since 2015-16. As part of the move to 75% BRR, Public Health Funding is likely to be incorporated into baseline funding. It has been assumed that the Public Health grant will continue in 2022-23 at the same amount as in 2021-22.
- Better Care Funding. The grant is distributed as part of the NHS funding allocation and its use agreed with the Health and Well Being Board. The continuation of the funding was due to be considered as part of the Spending Review. It has been assumed that this will continue at the same amount as in 2021-22.

### **Fees and charges**

57. The council will seek to generate additional income by reviewing discretionary fees and charges and opportunities to increase other commercial income. In accordance with the council's agreed policy, fees and charges are reviewed annually to increase them to a level that is at least equal to the most appropriate London average, except where this either conflicts with council policy, or would lead to adverse revenue implications or would impact adversely on vulnerable clients. Updated fees and charges will be presented for Cabinet approval in January 2022.

58. Income from fees and charges and commercial rental income have been significantly impacted as a result of the pandemic. In some areas the impact is likely to endure, for example leisure services.

### **Cost pressures 2022-23**

#### **Inflation and Pay Costs**

59. The Office of Budget Responsibility forecast that CPI inflation will be around the 2% target. The pay settlement for 2022-23 has yet to be agreed, an assumption of a 1% increase to the total pay bill was included in 2021-22. An assumption of 2% per annum has been included for 2022-23.
60. Therefore, this (most-likely) forecast recognises £8m of inflationary increases linked to both pay increases and contractual inflation in 2022-23.
61. This ongoing move to self-sufficient local government demonstrates the importance of Southwark's capital investment programme within the borough, either as the lead authority or with partners. Growth is the key to ensuring sustainable budget sources as we move closer to reliance wholly on local taxation, either through business rates or council tax as well as increasing opportunities across the borough for quality of life, jobs and environmental improvements. This will be particularly challenging as a consequence of the pandemic and the recession.
62. Capital investment is either funded immediately from available capital resources, (e.g. capital receipts or capital grants and contributions) or financed from borrowing (internal or external borrowing). The cost of servicing that debt is charged to the revenue budget over periods commensurate with the period that the investment provides benefits. The most-likely budget forecast includes an increase in debt financing costs of £2.5m in 2022-23 arising from the exiting capital spending plans and assumed further spending on investment projects.

#### **Risks to delivery**

63. The Policy and Resources Strategy covers a wide range of services and plans of the council. It is natural therefore that circumstances and policies can change and develop over time, and the plan has to be based on broad forecasts for later years where decisions have yet to be taken.
64. The council's current and future financial position is subject to a number of risk management processes, and the financial risks affecting the council are captured in the council's risk assessment including:
- Impact of Covid-19 pandemic and recovery and renewal
  - Changes in local government funding may compromise future service delivery
  - Changes to the business rate retention scheme and any shortfall in business rate recovery will directly impact the council

- The substantial commitment within the 10 year capital programme is not matched by resources
- Due to unprecedented financial pressures, the council's financial balances fall below an acceptable level affecting the council's flexibility
- Future budgets for the council are not sufficiently robust - especially in light of the pandemic, the current economic climate and future funding changes - resulting in restricted council resource and risk of service failure, increased external scrutiny and reputational damage.

65. All risks are subject to regular review. In additional, financial management and monitoring continues to be undertaken on a risk-based approach, with focus on those budgets which are subject to fluctuating demand.
66. It is recognised that the integrated efficiency plan carries a number of significant risks. Delivery of the annual programme of efficiencies, savings and income targets will be difficult, but failure to implement these will inevitably require the council to consider even more difficult decisions.

### **Macro-economic risks**

67. Wider macro-economic risks over which the council has no control, but which may impact on finances include;
- Ongoing economic downturn in the wake of the world-wide pandemic and continued disruption to transport logistics and supply chains
  - Rising inflation
  - Medium term implications of exiting the European Union.

### **Demographic Pressures**

68. The council faces demographic growth pressures and changes in the population profiles which results in both additional numbers of referrals and increased levels of need.
69. Temporary Accommodation and No Recourse to Public Funds services are demand driven and have become an increasing pressure on council resources. Caseload remains high with a current upward demand trend.
70. Public Health pressures remain, particularly in sexual health services.
71. Within the ring-fenced DSG, High Needs cost pressures continue with rising costs in placements and related transport and increasing demand in services for young people over 16 years old.

## Reserves

72. As at 31 March 2021 the council had unallocated general fund reserves of £22.3m and net earmarked reserves of £202m, including a negative reserve for DSG high needs.
73. The net earmarked reserves are maintained to fund:
- invest to save opportunities, which, for example, form part of the modernisation agenda and are expected in part to deliver future ongoing net revenue savings
  - investment in regeneration and development where spend may be subject to unpredictable market and other factors
  - exceptional items or pressures which are difficult to predict and which are not included in revenue budgets or within the capital programme
  - Ongoing cost and income pressures arising from the pandemic.
- Any application of these reserves for budget pressures will necessitate reductions in the programmes of work to be funded from them.
74. General Fund balances may be available in the short term to support the costs of the pandemic but use of these reserves will compromise financial resilience and will need to be maintained at existing levels over the MTFS period. Currently this period is constrained by the level of uncertainty created by lack of information on government funding sources. These remain critical to the council's policy and resources strategy. In recent years this strategy has necessarily been restricted to one year periods. Any use of General Fund balances by implication compromises the budget setting process for future years.
75. The council retains a level of earmarked reserves and these are reported each year within the annual statement of accounts. Reserves play a crucial role in good public financial management. They exist so that the council can invest in service transformation for the future or else allow them to respond to unexpected events or emerging needs. Excluding capital and technical sums such as insurance, usable revenue reserves amount to only a fraction of the council's turnover.
76. The legal requirement that a revenue budget deficit is not permissible when it cannot be covered by revenue reserves applies to any future financial year and not the just the current year. Reserves are one-off resources, they can only be spent once, while service demands will continue year on year.
77. The level of balances remains subject to the scrutiny of the section 151 officer who must ensure that any one off contributions to the budget are appropriate and affordable.



## Next Steps

78. The main governance steps to establishing the 2021-22 general fund revenue budget are outlined in the table below:

<b>Date</b>	<b>Meeting</b>	<b>Purpose</b>
June	Cabinet - Budget Remit Report	High-level scene setting, initial forecast of the budget challenge and outline of 2022-23 Budget Challenge process
Summer	Strategic consideration of challenges and opportunities - Strategic Directors/Cabinet Members Cross-cutting themes	
September	Cabinet - Updated P&R Strategy	Update the financial remit and confirm the size of the budget challenges facing the council in the period to 2022-23 to 2024-25
October	Budget Challenge Round 1	
November	Cabinet - Updated P&R Strategy	To provide an update (if necessary) to include details of any government funding announcements/Spending Review
	Budget Challenge Round 2	
December	Cabinet - Updated P&R Strategy	To provide options for meeting the budget challenges over the next three financial years
	Cabinet - Council Tax Base	To confirm the council tax base that will apply for 2022-23
January	Cabinet - Updated P&R Strategy	To select proposed solutions for meeting the budget challenge
January	Overview & Scrutiny	Comment on and make recommendations in respect of the cabinet's proposed 2022-23 budget and indicative budgets for future years
February	Cabinet - P&R Strategy	Recommend to Council Assembly balanced budget for 2022-23
	Council Assembly	Council Tax setting and approve a balanced budget for 2022-23 and agree indicative budgets for 2023-24 and 2024-25

## **Community impact statement**

79. The council works in accordance with the single public sector equality duty contained within section 149 of the Equality Act 2010. This means the council must have due regard to the need to eliminate unlawful discrimination, harassment and victimisation, and advance equality of opportunity and foster good relations between different groups.
80. Transparency and fairness form part of the budget principles and are an underlying principle in the Council Plan. As with the budget for 2021-22 and for previous years, each department will undertake equality analysis/screening on its budget proposals ahead of the final decisions being taken. Where screenings identify potential impacts, more detailed analysis is being carried out.
81. Undertaking equality analysis helps the council to understand the potential effects that the budget proposals may have on different groups. The analysis also considers if there may be any unintended consequences and how any of these issues can be mitigated. Analysis is also undertaken to consider any crosscutting and organisation-wide impacts.
82. For many services the budget proposals will include efficiencies which have staffing implications. As specific proposals are brought forward, and at each stage of implementation thereafter, the different impacts on different categories of staff will be assessed in accordance with the council's reorganisation, redeployment and redundancy procedures.
83. Equality analysis will continue through the cycle of planning and implementation of these budget proposals. In line with our Public Sector Equality Duty, the impact on any specific section or group in our community comprising any protected characteristics, of any changes to services arising from these proposals will be carefully analysed. Where necessary, consultation will be undertaken alongside mitigating actions where necessary. In line with the process across the council, information on the equality analysis will be shared with the relevant cabinet members so it can be considered when decisions are taken. The equality analyses will be collated across the council to look for any cumulative impacts.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Director of Law and Governance**

84. The constitution determines that cabinet consider decisions regarding the strategic aspects of the regulation and control of the council's finances. The council has a legal obligation to set a balanced budget on an annual basis as prescribed in the Local Government and Finance Act 1992 and associated Regulations. The issues contained in this report will assist in the future discharge of that obligation.
85. The council is required under section 149 of the Equality Act 2010 to have due regard to the need to:

- Eliminate unlawful discrimination harassment and victimisation
- Advance equality of opportunity between people who share protected characteristics and those who do not
- Foster good relations between people who share protected characteristics and those who do not.

86. Decision makers must understand the effect of policies, practices and decisions on people with protected characteristics.

87. Equality analysis is the mechanism by which the council considers these effects. The report sets out how it is proposed equality analysis will be undertaken in relation to the budget proposals.

88. It is essential that cabinet give due regard to the council's duty under the Equality Act 2010 and the implications for protected groups in the context of that duty in relation to this decision and future decisions on the budget proposals.

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

## APPENDICES

No:	Title
Appendix 1	Draft Fairer Future Budget Principles

## AUDIT TRAIL

<b>Cabinet member</b>	Councillor Rebecca Lury, Finance, Performance and Democracy	
<b>Lead officer</b>	Duncan Whitfield, Strategic Director of Finance and Governance	
<b>Report author</b>	Timothy Jones, Departmental Finance Manager	
<b>Version</b>	Final	
<b>Dated</b>	2 June 2021	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Director of Law and Governance	Yes	Yes
Strategic Director of Finance and Governance	Yes	Yes
Cabinet Member	Yes	Yes
<b>Date final report sent to Constitutional Team</b>		2 June 2021

## APPENDIX 1

### Draft Fairer Future budget principles

The council's "Fairer Future budget principles" will underpin the council's budget decisions and seek to limit the impact of budget cuts on the most vulnerable.

#### Our budget principles are:

- we'll continue to manage budgets carefully and keep council tax low, only raising it to protect the most vulnerable
- we'll be responsible guardians of public finances and when possible plan ahead by developing a longer term budget
- we'll make prudent use of reserves to support the budget to enable the smoothing of impacts over time.

#### To achieve this:

- we'll spend money as if it were coming from our own pocket; we'll put value for money at the heart of the budget, taking every opportunity to modernise and transform working practices and to make the council more efficient
- we'll continue to find alternative ways of providing services more efficiently and effectively by working jointly with the health sector, the voluntary sector, local businesses, other local authorities and other partner organisations.
- we'll seek to generate additional income by reviewing fees, charges and contributions and seeking further opportunities to provide commercial services; this may include introducing charges for some discretionary services that are currently free
- some of our current services may stop; many will have to be delivered differently or reduced
- we'll be open, honest and accountable
- we'll build on the outcomes of previous budget consultations, reflecting the priorities of our residents and stakeholders as we develop proposals
- we'll conduct ongoing consultation on the tough choices we must make and be transparent with any specific group, groups of users or staff who may be affected by any cut, reduction or significant change in service provision as soon as possible and explore with them other ways to provide the service
- we'll conduct an equalities impact assessment for our budget proposals, with specific reference to the work undertaken as part of our Southwark Stands Together programme
- we'll ensure that climate emergency considerations are properly assessed for all relevant budget options.
- a reduced budget will inevitably mean that the size and composition of our workforce will change; we'll treat our staff with respect, do all we can to retain staff through

redeployment and retraining and when necessary will seek to assist staff leaving the council

At a time of unprecedented uncertainty, the budget will continue to prioritise the promises we made in the Fairer Future council plan and will seek to protect services for the most vulnerable.

DRAFT

<b>Item No.</b> 9.	<b>Classification:</b> Open	<b>Date:</b> 15 June 2021	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Policy and Resources Strategy: revenue monitoring outturn, including treasury management 2020-21	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Rebecca Lury, Finance, Performance and Democracy	

## **FOREWORD – COUNCILLOR REBECCA LURY, CABINET MEMBER FOR FINANCE, PERFORMANCE AND DEMOCRACY**

This report sets out the outturn position for the general fund, housing revenue account and dedicated schools grant for the 2020-21 financial year. Despite the costs of the pandemic, I am pleased to present a balanced outturn position for 2020-21, after movements to and from reserves and the application of £43.5m of general Covid-19 government funding.

On the 23 March 2020, the Prime Minister announced the first lockdown to help contain the pandemic. Despite some easing of restrictions during the summer of 2020, the last 12 months have presented a significant challenge. The pandemic required an unprecedented response to mobilise resources, skills and good faith of many across the borough. Throughout the council has continued to deliver the services and support that our residents, businesses and communities have needed as well as implementing a huge range of national schemes such as Business Rates Grant support, council tax hardship support, test and trace, infection control, winter support payments and contain outbreak management arrangements.

When the pandemic began, the Government indicated it would do whatever it took to support local authorities through the Covid crisis. However, by June this promise of financial support changed to one of ‘burden sharing’, for example support for income losses was provided at 75 per cent of the losses after the first five per cent was covered, and the decision to defer losses from council tax and business rates over three years.

And now, as we come out of lockdown, there is a real need to focus on actions and measures to hasten recovery and support wellbeing.

The financial position at the end of 2020-21 is a complex picture as we reconcile the additional costs and lost income with the funding support from government (both quantum and timing), and also look to prioritise resources for the forthcoming period of recovery.

Perversely, in closing the 2020-21 accounts, there has been a significant increase in reserves. However, most of these are not available to support the provision of services but must be carried forward to cover losses arising from business rate and council tax collection in 2020-21 and that will be charged to the General Fund Balance in future years.

Beyond the financial impacts arising from the pandemic, there are a number of significant underlying budget pressures:

- The outturn position for the DSG is a £2.1m in-year deficit, bringing the accumulated deficit position to £20.6m at 31 March 2021. Whilst the in year deficit is significantly lower than the last few years, the prospect of achieving any reduction in the accumulated deficit is remote without additional government support;
- A growing underlying pressure on employee and placement costs in children's social care which is likely to be increasingly challenging in 2021-22 and future years;
- Additional costs and reduced fees arising from the leisure contract over and above the impact of the pandemic;
- Despite additional government support for rough-sleeping and temporary accommodation during the pandemic, spending in this area again exceeded budgeted resources.

As agreed with the Strategic Director of Finance and Governance, the corporate contingency was applied in full to offset spending pressures.

There was better news from other areas, which stayed within budgets or underspent, which, together with some one-off savings and unbudgeted income receipts, enabled the council to bolster reserves to meet deferred spending commitments, future budget contributions and to help manage future financial risks. The outturn has also enabled us to set aside additional resources to support the recovery and the aftermath of the pandemic as well as the inevitable impacts on welfare support for the vulnerable and less well off.

The last year has seen a fundamental change in the way the council does its business in order to meet the needs of citizens, communities and businesses during the pandemic. This response is against the backdrop of continuing under funding of local government following a decade of austerity, uncertainty about future funding arrangements, the threat of a business rates reset as well as increasing pressure on demand-led services like children's social care, temporary accommodation and welfare. Building financial resilience is imperative as we navigate our path to recovery and to ensure the council is well placed to meet future financial challenges.

The outturn position continues to demonstrate strong financial management and sound governance arrangements across the council.

## RECOMMENDATIONS

1. That the cabinet notes the balanced general fund outturn position for 2020-21 after the application of reserves and emergency Covid-19 funding (Table 1);
2. That the cabinet note the application of £43.5m of general Covid-19 emergency grant funding;
3. That the cabinet notes the key adverse variations and budget pressures underlying the outturn position:
  - (i) The DSG outturn position of an £20.5m deficit and the pressures on high needs budgets;
  - (ii) The growing pressures within Children's Social Care
  - (iii) the continuing budget pressures on Temporary Accommodation;
  - (iv) additional costs associated with protecting leisure services;
4. That the cabinet notes the utilisation of £4m contingency (paragraph ) to offset adverse variances;
5. That cabinet notes the housing revenue account outturn for 2020-21 (table 2, paragraphs );
6. That cabinet notes the detailed movements of earmarked reserves as set out in Appendices B, C and D;
7. That cabinet notes treasury management activity in 2020-21 (paragraph )
8. That cabinet approves the interdepartmental budget movements that exceed £250k, as shown in Appendix A.
9. That cabinet note the interdepartmental general fund budget movements that are less than £250k as shown in Appendix A.

## BACKGROUND INFORMATION

10. This report sets out the outturn position for the general fund, housing revenue account and dedicated schools grant for the 2020-21 financial year, including the significant impact of COVID-19 on the Council's 2020-21 budget.
11. The council agreed a balanced General Fund budget of £294.292m on 26 February 2020 based on a 3.99% council tax increase. The Policy and Resources Strategy for 2020-21 assumed that no reserves would be used to underwrite the budget.



12. The council also approved budget decisions which included reductions of £9m within the General Fund for 2020-21. Performance on achieving these savings is closely monitored and any significant variances will be included in departmental narratives.
13. The cabinet agreed a balanced housing revenue account (HRA) budget on 21 January 2020.

## KEY ISSUES FOR CONSIDERATION

### General fund overall position

14. The final outturn position for the general fund is balanced after the utilisation of reserves, as set out in Table 1 below. This table shows the departmental budget outturn variances together with the utilisation of reserves to come to the balanced outturn as at the end of 2020-21.

**Table 1: 2020-21 General fund outturn position**

General Fund	Original Budget £000	Budget Changes £000	Revised Budget £000	Net Spend in Year £000	Year-end Reserve Movement £000	Total Use of Resources £000	Variance after use of Reserves £000
Children's Services	62,450	3,889	66,339	70,636		70,636	4,297
Adult Social Care	88,326	1,311	89,637	88,957		88,937	-700
Commissioning	4,987	-359	4,628	4,763		4,763	135
Education	26,617	-8,813	17,804	18,667		18,667	863
Children's and Adults' Services (excl. DSG)	182,380	-3972	178,408	183,003		183,003	4,595
Dedicated Schools Grant	150	-150	0	2,070		2,070	2,070
Environment and Leisure	69,624	17,250	86,874	102,820		102,820	15,946
Housing and Modernisation	69,789	-10,628	59,161	73,659		73,659	14,498
Chief Executive	3,140	-1,611	1,529	5,888		5,888	4,359
Finance and Governance	21,203	-118	21,085	24,877		24,877	3,792
Strategic Finance	-15,254	683	-14,571	-24,642	10,349	-14,293	278
Support Cost Reallocations	-40,740	-1,454	-42,194	-42,194		-42,194	0
Contingency	4,000	0	4,000	4,000		4,000	0
<b>Net Revenue Budget</b>	<b>294,292</b>	<b>0</b>	<b>294,292</b>	<b>329,481</b>	<b>10,349</b>	<b>339,830</b>	<b>45,538</b>
DSG overspend taken to DSG adjustment account				0	-2,070	-2,070	-2,070
Covid-19 emergency funding support				-43,468	0	-43,468	-43,468
<b>Outturn after reserve movements</b>				<b>286,013</b>	<b>8.279</b>	<b>294,292</b>	<b>0</b>

15. The overall 2020-21 outturn position shows a nil variance after movements to reserves and application of Covid-19 emergency funding support.
16. Within the overall position, additional costs and lost income due to the pandemic amounted to £43.468m which has been met by emergency funding support (including sales, fees and charges compensation).
17. The financial impact of COVID-19 has been significant and complex with

the need to reconcile the additional costs and lost income with the funding support received from the government (both quantum and timing).

18. In the last year the council has also had to implement national support schemes such as the Business Rates Grants Support Schemes; the Council Tax Hardship Support Schemes; Test and Trace Payments; the Winter Support Payments Scheme; Infection Control Schemes; and Contain Outbreak Management schemes as well as dealing with and implementing a range of supplier relief schemes and addressing increased demand for support to vulnerable households whilst accommodating new ways of working in response to the pandemic.
19. Elsewhere, underlying demand led pressures continue in several areas such as High Needs, Children's Social Care, Temporary accommodation and welfare support, whilst COVID-19 has impacted on normal business as usual expenditure in some areas where spending has been delayed or deferred creating in year savings, for example in adult social care. These variances are described in more detail in the narrative below.
20. The longer-term impacts of the pandemic on the councils finances extends into 2021-22, where the council will face further significant challenges and budget pressures in relation to the continuing response to the pandemic and the restoration of services and supporting the post-pandemic recovery.
21. Whilst some funding that has been made available by the government in 2021-22 to help with these challenges, it is far from certain whether this will be sufficient. There will potentially be a range of interventions required by the council and ongoing impacts post pandemic that will have as yet unquantified financial pressures.
22. Throughout the emergency, financial management and governance processes have continued to be paramount.
23. The appendices attached to this report provide more detail on the in year budget movements, the utilisation of reserves by each department and closing reserve balances (Appendices A, B, C and D).
24. The overall impact of these transactions will be reported in full within the draft statement of accounts to be signed by the S151 Officer and will also be considered by the Audit, Governance and Standards Committee in July 2021. These will then be subject to external audit.
25. The following paragraphs outline in more detail the outturn by directorate:

### **CHILDREN'S AND ADULTS' SERVICES**

26. This has been an unprecedented year for the department. In addition to

business as usual the teams had to respond to the challenges around COVID 19. Despite this the department in partnership with finance, HR and procurement colleagues from across the council succeeded to break even. Whilst there have been significant additional pressures across the department arising from the pandemic, to date these have largely been offset by central government funding, although it is still unclear how long this will continue.

### **Adults Social Care**

27. The division has seen a number of years of favourable financial performance and once again managed to remain within budget during this challenging environment. Additional pressures have materialised due to Covid 19 especially care packages expenditure such as homecare, nursing and residential. However these have been mostly covered by additional government funding. The division has also ensured stability and resilience of the provider market through additional payments to providers such as infection control and provider sustainability payments.
28. The division will continue to ensure strict financial measures are in place as the post Covid 19 environment might lead to risk of increased expenditure in some service areas such as increased levels of disability due to longer than usual periods of hospitalisation and delays in seeking medical attention for other conditions during lockdown.

### **Children's Social Care**

29. The division has worked very hard to minimise the impact Covid 19. While the direct impact of the pandemic has been less severe than for Adults', the resulting pressures on placement budgets combined with increasingly difficult local employment market has resulted in an adverse variance at year end.
30. There has been increasing shortage in the supply of children's social workers over a number of years at a national level. This trend combined with aggressive recruitment practices within London lead to increasing difficulties with permanent recruitment and an undesirable level of agency staffing within the division. In order to reduce this growing cost pressures on the Children's and Families budget, initiatives are underway to ensure that our recruitment and retention approach is as attractive as possible. However, it seems likely that without greater progress at a national level it will be difficult to fully resolve this in the short term.

### **Commissioning**

31. The Commissioning division have been at the heart of the social care emergency response to the pandemic for care providers. In addition to maintaining the business as usual commissioning and procurement

functions, the team have also been dealing with vastly increased provider management and support and the distribution of millions of pounds of PPE on behalf of South East London.

### **Education**

32. Education services continue to operate within a very challenging environment. This is mainly driven by the inadequate funding for high needs and services more generally. The Covid 19 pandemic has created further pressures within this area especially around diversion of resources and changes in the schools economy impacting on both savings and income generation targets. The periods of lockdowns have helped in preventing cost pressures on SEN transport escalating beyond the expected level. However, the post Covid restrictions combined with increased number of EHCP's are expected to have continuous unfavourable impact in this area. Officers within the service and in finance will monitor this area of the budget closely and work with providers to deliver the service as safely, efficiently and economically as possible.

### **Dedicated School Grant**

33. The outturn position for the DSG has significantly reduced in comparison to previous year but still results an in-year deficit of £2.0m, bringing the accumulated deficit position to £20.6m at 31 March 2021. This deficit position is driven by increased number of Education and Health Care Plans (EHCPs), the extension of responsibilities to age 25 from 2014-15, increases in parental rights, limited supply of special provision across the country and also the increase in the level and complexity of need, most notably with regard to Autism Spectrum Disorders. The in- year deficit is also larger than expected due to the Secretary of State only approving part of the block transfer Southwark Council has applied for. The council has corresponded with the Department for Education (DFE) and Education and Skills Funding Agency (ESFA) over the past year about the support required to deal with the accumulated deficit. The issue is not a new one, nor is it just a local one and lobbying continues through both local and national Education and Finance directors' representative bodies.
34. In order to able to address the in-year deficit officers continue to pursue savings and efficiencies against the High Needs Block and in particular through commissioning work focussed on Independent Non-Maintained Special Schools and Alternative Provision. However the achievement of the balanced in year position has been affected by greater than anticipated increase in demand for EHCP's and savings and efficiencies delayed as result of resources diverted to respond to the pandemic.
35. There is also recognition that a number of maintained schools are experiencing increasing financial difficulties. This is mainly due to the continued falling roles, which has been experienced across all London

boroughs. Officers from the council work together with the schools to ensure robust plans are in place improve their financial situation.

## **ENVIRONMENT AND LEISURE**

36. The final 2020-21 outturn for the Environment and Leisure department is an adverse variance of £15.946m.
37. The COVID 19 pandemic situation has had a significant impact on departmental budgets with substantial additional costs and loss of income across the numerous service areas within the department.
38. The financial implications of the COVID 19 pressures has been captured and reported in detail as part of the government returns to Ministry of Housing, Communities and Local Government (MHCLG) from the council.
39. The total cost of the COVID 19 budget pressure identified in the department amounted to £19.442m with some specific grant of £2.887m allocated to the department resulting in a net COVID budget pressure of £16.555m.
40. Therefore, once the net COVID pressure of £16.555m is adjusted against the above variance of £15.946m, the department reflects a favourable variance of £0.609m excluding COVID budget pressures.
41. The adverse variance of £15.946m is expected to be contained by central government COVID 19 grants and council's contingency resources held corporately.
42. The favourable variance on the 2020-21 ring-fenced Public Health grant budgets has enabled the repayment in full of the historical negative reserve that had existed on the Public Health accounts since 2016-17. The Public Health directorate was also able to contribute £0.132m towards a Public Health reserve to be used for future years.

## **HOUSING AND MODERNISATION**

43. The departmental outturn for 2020-21 is a net budget pressure of £14.5m reflecting the impact of the Covid-19 pandemic, which was unforeseen when the budget was set in February 2020. Southwark has played a key role in supporting residents and businesses during the pandemic, ensuring that the most vulnerable in our community and local economy are protected, resulting in significant additional cost and loss of critical income streams that support the budget (estimated at £12.2m), which will not be fully covered through central government funding. The key headlines are set out below.

## **Customer Services - Temporary Accommodation (TA) and Housing Solutions**

44. Homeless levels nationally have progressively increased over the last decade due to welfare reform changes and the unaffordable nature of the private rental sector, particularly in London, where market rents far exceed LHA rates. TA demand has been and continues to be acute in Southwark and the council has had to commit significant additional resources to it over recent years and again for 2021-22.
45. For 2020-21, the position has been seriously exacerbated by Covid-19, with a 34% increase year on year in homeless acceptances (around 600 households). In addition, the council has rehoused 324 existing clients from shared hostel accommodation and over the period a large cohort of rough sleepers due to the pandemic in accordance with government advice. In total the cost of TA provision is around £9.2m more than the previous year.
46. The aftermath of the pandemic will continue to be felt moving forward, as government financial assistance schemes end and with increasing business failures and rising unemployment. It is also anticipated that there will be a further spike in homeless applications as the embargo on private sector evictions ends (scheduled for 31 May 2021 at the time of writing), leading to considerable budget uncertainty throughout 2021-22 and beyond.
47. Overall, the outturn position shows an adverse variance of £10.6m for the provision of temporary accommodation (net of additional Covid-19 grant funding of £3.4m), and a further pressure of £1.5m within the housing solutions service, which predominantly comprises incentive payments for private sector leased properties. Arrears have also increased by over £2m and it has been necessary to set aside a much higher level of bad debt provision (£3.4m) than would otherwise have been necessary. Whilst early budget forecasts were assumed to be lower, the scale and prolonged nature of the pandemic has contributed to this exceptional position.
48. The council is fully cogniscent of its statutory homeless duties and keeps the TA policy framework under review to ensure it fulfils its obligations in the most cost effective and sustainable way. Whilst adopting greater flexibility in its strategy to procure good quality accommodation outside of London, the council has also introduced the Good Homes Standard, which sets the benchmark for private sector leased accommodation. These changes will have a mixed impact in terms of cost going forward and given current caseload predictions, early indications are that the TA budget will remain under considerable pressure during 2021-22.

### **Customer Services – Registrars and Citizenship and Mortuary and Coroners**

49. The registrar's service was seriously affected as weddings and ceremonial events were severely restricted. With costs largely fixed, the loss of fee income exceeded £0.3m. Additional costs have also been incurred as a result of the pandemic in the provision of mortuary and coroners services. Overall the budget overspend across these areas is £0.7m.

### **Modernise – Technology and Digital Services**

50. It is important to acknowledge that the service has delivered significant operational change in response to the Covid-19 crisis, which has enabled the council to maintain a high level of service capability throughout and continues to prepare for a measured and safe return to the office environment when the situation permits.
51. Overall, the cost of IT was £0.3m below budget. This favourable variance has been taken to reserves to fund a number of emerging priorities that need to be addressed in the short term. These include projects to deliver the council's data strategy with regard to data collection, storage and retention, predictive analytics and rationalisation and standardisation of the IT estate to create a more holistic approach to service delivery. Furthermore, the programme to migrate from data centres to a cloud-computing environment with Azure and upgrading to Office 365 continues and is expected to deliver greater operational efficiency and resilience in the longer term.

### **Modernise - Corporate Facilities Management (CFM)**

52. CFM is responsible for managing the council's operational estate, ensuring that buildings are compliant with health and safety regulations and are fit for purpose for both staff and service users. The cost of compliance included in the outturn position is £0.4m. The service played a key role in responding to the pandemic, securing the delivery of PPE, making physical adaptations to buildings, providing sanitisers, screens, signage and providing security to buildings that remained in operational use throughout and those where it was necessary to close. The additional cost of Covid-19 is around £1.2m within CFM.
53. CFM delivers a planned works programme that generates fee income to support the budget. Covid-19 restricted the ability to fully deliver this programme in 2020-21 and consequently saw a reduction of £0.2m in fee income generated. Furthermore, during the course of the year, the service concluded a complicated procurement exercise for hard and soft facilities management contracts that required additional resources, the net pressure on staffing being £0.1m by the end of the year. However, due to a number of factors the procurement proved unsuccessful and will need to restart.

54. Lastly, the budget for 2020-21 was predicated on the Southwark Clinical Care Group (CCG) increasing their occupation of Tooley Street and generating additional income of £750k annually for the council. However, the workplace impact of Covid-19 led the CCG to reconsider these plans and withdraw from the proposed occupation resulting in the loss of income becoming an unavoidable budget commitment in 2021-22. These factors contributed to a total budget pressure of £2.7m for the year.

### **Central Services**

55. Budgets held within this activity are of a department-wide nature including corporate recharges and costs that are not specifically attributable to a particular service, for example, financing and depreciation charges. This year the employee inflation budget was retained centrally as the pay award had not been agreed at the time of budget setting, which accounts for £0.4m of the favourable variance. Others budget savings accrued from legal services (£0.1m), which has now been taken as a saving for 2021-22 and the engineering assessments budget (£0.2m). Other minor movements account for the remainder.

### **CHIEF EXECUTIVES DEPARTMENT**

56. The final 2020-21 outturn for the Chief Executive Department is an adverse variance of £4.359m.
57. The COVID 19 pandemic situation has had a significant impact on departmental budgets with substantial additional costs and loss of income across the numerous service areas within the department.
58. The financial implications of the COVID 19 pressures has been captured and reported in detail as part of the government returns to Ministry of Housing, Communities and Local Government (MHCLG) from the council.
59. The total cost of the COVID 19 budget pressure identified in the department amounted to £4.018m and once this is adjusted against the above variance of £4.361m, the department reflects a revised adverse of £0.343m excluding COVID budget pressures.
60. The adverse variance of £4.361m is expected to be contained by central government COVID 19 grants and council's contingency resources held corporately.

### **FINANCE AND GOVERNANCE**

61. The Finance and Governance department, including Benefits and Subsidy and Pensions Administration, is reporting an adverse variance of £3.7m. The impact of the COVID-19 pandemic is the significant factor



with additional costs and lost income estimated at £3.9m.

62. During 2020-21 the Exchequer Services has been responsible for administering an exceptional number of pandemic related grant funding schemes and business rate reliefs for local businesses. These have included Business Support Grants, Local Restrictions Support Grant (LRSG) in addition to business rate reliefs for Retail, Hospitality and Leisure Sector and Nurseries. There has also been a significant additional administrative burden on the team with respect to the increasing number of welfare claimants and impact on council tax support (LCTS), Southwark Emergency Support Scheme (SESS) and hardship funds.
63. Elsewhere within the department (and after excluding pressures attributable to the pandemic), favourable variances were reported in Law and Governance as legal trading generated external income in excess of target and in Professional Finance Services, mainly due to vacancies.

### **Strategic Finance**

64. Strategic Finance is reporting a small adverse variance of £0.3m. The variance is due to additional mortuary costs relating to the pandemic. These costs have been included within the return to MHCLG.
65. Strategic Finance includes a number of budgets that are not allocated directly to departments and which are managed centrally. These include treasury management, insurance, corporate provisions, levies and a number of technical accounting budgets, such as the reversal of depreciation, that do not impact on the net budget requirement or level of council tax that the council sets each year.

### **Contingency**

66. As referenced elsewhere in this report, the £4m contingency budget was fully utilised to offset in-year budget pressures.

## HOUSING REVENUE ACCOUNT (HRA) OUTTURN 2020-21

Table 2: HRA outturn position for 2020-21

	Budget £'000	Outturn £'000	Variance £'000
Asset Management	52,664	55,733	3,069
New Build	583	797	214
Communities	9,145	10,420	1,275
Resident Services	39,885	43,693	3,808
Customer Services	9,490	9,169	-321
Central Services	8,434	7,494	-940
Debt Financing	29,477	29,505	28
Depreciation	33,105	22,787	-10,318
Exchequer Services	53,000	53,458	458
Tenant's Rents & Service Charges	19,670	20,640	970
Homeowner Service Charges	-223,115	-222,116	999
Revenue Contribution to Capital	-32,338	-37,402	-5,064
Appropriations to /(from) Reserves	0	5,822	5,822
<b>Total HRA</b>	<b>0</b>	<b>0</b>	<b>0</b>

67. Earlier budget forecasts referred to uncertainty around the extent of unavoidable cost pressures and new commitments arising in the management and maintenance of the council's housing stock, and the exceptional circumstances arising from the Covid-19 pandemic. Whilst there have been some volatility and variation in certain areas during the year, costs have been contained and the outturn position shows favourable improvement overall. This has enabled earmarked reserves to be augmented and additional revenue funding to be made available, thereby reducing the level of new borrowing required to fund the housing investment programme (HIP). The key headlines and issues are outlined below.
68. The repair, maintenance and renewal of the housing stock consume the greatest proportion of operating resources (c. £106m including depreciation) and budgets remain under constant pressure. The size, age and nature of the housing stock are the most significant cost drivers, notwithstanding the substantial capital investment that has, and continues to be made in the stock.
69. There are a number of budget variances (both negative and positive) across the Asset Management division giving rise to a net overspend. The primary reason being the cost of works delivered in-house, comprising day to day repairs and maintenance, voids and communal works. As previously reported, the cost base remains significantly higher than budget and performance is not at the level predicated in the original business model (notwithstanding the impact of Covid-19). Realistically, this cannot be sustained as it diverts resources away from other high priority service areas and implementation of the repairs improvement

plan and 'right sizing' the organization is crucial to increasing operational efficiency/productivity, controlling costs and achieving the higher service standards and value for money that residents expect and deserve.

70. Other areas of particular concern are district heating, disrepair and voids, which are all over budget. Ageing district heating infrastructure is problematic causing frequent service outages requiring ad-hoc renewal and replacement works and temporary boiler installation to maintain service at substantial additional cost. It is recognised there is no easy, quick or cheap alternative to this situation which is expected to continue for the foreseeable future until a more sustainable solution can be implemented. This also needs to be seen in the context of national and local carbon reduction targets which increases both the build cost of new homes and the cost of retro-fitting carbon reduction measures to the existing stock. This requires long-term capital investment running into hundreds of millions of pounds and is one of the key priorities for the council in planning its investment strategy over the next decade.
71. The number of disrepair cases and associated costs are running above normal expectations and additional resources have been directed into this area to increase case settlement rates. There is evidence that this is being driven by external litigation firms targeting the council's residents to make claims. Voids, particularly those used for temporary accommodation (reflected in the Resident Services divisional outturn), is running at a higher rate and unit cost than originally predicated in the budget. The unforeseen event of Covid-19 and the council's extraordinary response has seen hundreds of people re-housed since March 2020 at significant cost to the council, only part of which will be met through central government grant.
72. As part of a managed and balanced funding approach, it has been possible in the short-term, to mitigate some of this pressure by capitalising a higher amount of eligible works expenditure (where it meets capital accounting criteria). However, this is not a long-term sustainable solution and urgently requires review and prioritisation of the council's investment needs over an extended timeframe to ensure on-going affordability.
73. As mentioned above, there are a number of budget pressures within the Resident Services division, most significant being the extensive use of estate voids to meet increased demand from residents affected by the pandemic, including new temporary placements, rough sleepers and existing clients rehoused from shared hostel accommodation. Going forward, hostels are to be decommissioned with a consequent reduction in available stock for homeless clients and from a financial perspective, the loss of rental income to the HRA. The impact of which has been factored into budget setting for 2021-22. Whilst estate management services such as cleaning and grounds maintenance have seen some diminution in provision due to the pandemic, other estate running costs such as PPE, estate deep cleans, lighting and pest control have been

higher than budgeted and will be reviewed to determine a revised baseline as to their adequacy during the year.

74. Given the self-financing nature of the HRA, rental and other income streams are of paramount importance for the sustainability of the business plan. Gross rent debit and void loss are key budget indicators and were around 0.5% lower than target, which is better than early projections given the closure of the council's hostels as stated above. This has been mitigated through the greater use of estate voids, lower RTB activity and new properties coming on-stream as part of the council's new homes programme. Whilst the pandemic has inevitably had an adverse impact on rent collection performance, it is not as bad as first feared with collection running at 97.4% around two points lower than usual. However, it remains to be seen what the longer-term impact of the pandemic has on the wider economic climate and on resident's ability to pay their rent and service charges. Notwithstanding the cash-flow implications that this has, there is an expectation that a sizable proportion of income deferred will be recovered, albeit over an extended timeframe. The HRA has and continues to maintain a prudent level of provision to meet collection losses/write-offs.
75. Homeowner service charges represent the second largest income stream to the HRA and reflect the proportionate costs associated with managing and maintaining properties sold under the 'Right to Buy. These costs are fully rechargeable under the terms of their lease in order to prevent cross-subsidy from tenants. Early forecasts for 2020-21 were necessarily cautious, but revenue service charge billing is proportionally higher than budget this year due largely to the actualisation of previous year's estimated bills that include higher utility and communal maintenance costs. Capital works undertaken as part of the housing investment programme are also rechargeable but unlike annual service charges, the value of works billed can fluctuate widely from year to year depending on the scale and type of activity undertaken. The budget is maintained at an indicative level in order to average out fluctuations over a longer timeframe. For 2020-21, billing is also higher than budget which has contributed to the more favourable outturn position. Conversely, forecast billing for 2021-22 is expected to be adversely impacted by the disruption caused to the capital works programme by the pandemic and be below the budget target.
76. Central Support Services comprises non-operational service budgets such as departmental and corporate overheads, arrears/bad debt provisions, revenue support for the capital programme and debt financing. Whilst it remains an ambition to pay down HRA debt, unlike the general fund, there is no requirement to make a minimum revenue provision (MRP), which has and continues to provide the necessary flexibility to mitigate exceptional and inherent budget pressures elsewhere across the account. This has been particularly important over the last few years, as the council has successfully navigated the water refunds issue, the enforced rent reduction policy and other significant

budget pressures without any noticeable impact in service provision.

77. In 2020-21, the council needed to borrow £56.1m to fund the investment programme and this requirement will increase significantly over the medium-term to meet the critical investment needs of the housing stock, including building and fire safety, the heat network, carbon reduction and the new homes programme. Therefore, what budget flexibility currently exists will be quickly eroded and necessitate a more sustainable approach to service spending to offset the higher financing costs, which represent a fixed cost and first call on revenue resources. For reference, borrowing remains subject to the provisions of the Local Government Act 2003 which requires authorities to have due regard to the CIPFA's 'Prudential Code', when determining how much it can prudently afford to borrow.
78. In the same way as the council's general fund, the HRA holds reserves for specific purposes and as contingency against operational deficits, unforeseen events and to mitigate future risks in line with the council's medium-term resource strategy (MTRS). Earmarked reserves have for some time been below the optimal level considered prudent given the size of the council's HRA and HIP and whilst it has been possible to increase reserves to £28.8m this year, the challenge remains to build a greater level of sustainability going forward.

### **Collection fund**

79. The Collection Fund represents the accumulated surplus or deficit for business rates and council tax. Both taxation schemes are designed to be self balancing; an estimate of any accumulated surplus or deficit is made each year and factored into the following year's tax requirement. Any difference between estimated and actual outturn will be received or borne by taxpayers in the following year.
80. Monies received into the Collection Fund are distributed between the council and its preceptors based on their respective shares. Whilst the Collection Fund is a single entity, for reporting purposes it is split between Council Tax and Business Rates.
81. These accounting arrangements have had an exceptional outcome in 2020-21 due to the circumstances relating to the pandemic. The financial down turn has caused collection rates to be substantially lower than those that were predicted. In addition, after the estimated receipts for 2020-21 were fixed, the Government introduced emergency rate reliefs for particular business sectors. In the cases of both reduced collection rates and emergency rate reliefs, the Government has implemented grant schemes to compensate authorities for the lost income.
82. Regulations require any deficit in 2020-21 to be spread over three years.

83. The in-year deficit on the Business Rates collection fund for 2020-21 is £140.3m with the Councils share being £42.1m. The deficit, after taking into account additional Section 31 grant, will be spread across the three years 2021-22, 2022-23 and 2023-24. Under the governments Tax Income Guarantee (TIG) methodology, the council will receive compensation of £9.1m.
84. The in-year deficit on the Council Tax collection fund for 2020-21 is £5.3m with the councils share being £4.1m. The deficit will be spread across the three years 2021-22, 2022-23 and 2023-24. Under the governments Tax Income Guarantee (TIG) methodology, the council will receive compensation of £1.9m.

### **Earmarked Reserves**

85. The council retains a level of earmarked reserves which 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 or pressures which are difficult to predict and which are not included in revenue budgets or within the capital programme.
86. The outturn position on earmarked reserves has been greatly inflated due to the carry forward into 2021-22 of £54m of specific COVID-19 funding set aside to meet costs that will be defrayed in 2021-22 and future years and resources to support recovery.

	<b>Opening Balance £'000</b>	<b>Movement £'000</b>	<b>Closing Balance £'000</b>
Covid-19 reserves	-	53,425	53,425

87. Included within these resources are:
- £49.3m of specific COVID-19 funding that must be set aside to meet costs that will be defrayed in 2021-22 and future years. These resources are not available to support the provision of services;
  - £2.2m for Welfare Support. Evidence from past economic crises suggest there will be increased pressures on a range of council services, including welfare support;
  - £1.5m for measures to support recovery including £0.5m for tackling health inequalities and £0.5m for town centres and high

streets.

88. As indicated in the table below, the net movement on non Covid-19 related reserves was £4.114m:

	<b>Opening Balance £'000</b>	<b>Movement £'000</b>	<b>Closing Balance £'000</b>
Corporate projects and priorities	19,541	3,262	22,803
Service improvements and reviews	19,350	10,794	30,144
Capital programme reserves	23,247	1,250	24,497
Strategic Financial Risk Reserves	50,506	3,818	54,324
Technical and smoothing reserves	34,430	(15,010)	19,420
<b>Total earmarked reserves</b>	<b>147,074</b>	<b>4,114</b>	<b>151,188</b>

89. For a number of years previously the council had planned for the use of reserves to help smooth the impact of government funding reductions and other budget pressures, especially during the period of austerity. Not only did this help to protect council services but it has also allowed time to transition towards new ways of working, productivity improvements and efficiencies. There were no budgeted contributions from reserves in 2020-21, however £5m has been earmarked to meet the budgeted contribution in 2021-22 and a further £2.5m to help mitigate the forecast deficit in 2022-23.
90. In addition resources have been earmarked to mitigate and manage anticipated funding shocks arising from funding reforms, and, in particular the planned business rate reset. These reserves would be needed to ensure a smooth transition over the forthcoming medium term financial planning period.
91. Other notable sums that have been earmarked during 2020-21 include:
- Replenishing the Southwark Pioneers Fund (£1.9m) and Southwark Emergency Support Scheme (SESS) (£0.9m) from emergency Covid funding;
  - £1.7m increase in the Southwark Scholars Scheme to release revenue provision (as agreed as part of 2021-22 budget setting);
  - £4.8m to ensure resilience in Adult Social Care budgets pending the government's proposals for reform of Social Care and £1.4m for Children's and Adults transformation.
92. It is clear that reserves will come under severe pressure during 2021-22 and the medium term as they are deployed to meet Covid-19 and other anticipated pressures.
93. The total movement in earmarked reserves are detailed in Appendix D.

### **General Fund Balance**

94. Unallocated reserves are a key indicator of an authority's ability to cope with financial shocks. The CIPFA Financial Resilience Index places significant emphasis on this as an indicator of 'high risk'. Building financial resilience is imperative as we navigate our path to recovery and ensure that the council is well placed to meet future financial challenges.
95. The balance on the General Fund has been maintained at £21m in closing the 2020-21 accounts, in line with the policy to maintain a minimum balance equivalent to 2.5% of gross revenue expenditure.

### **Treasury management**

96. As at 31 March 2021 the outstanding debt held by the council was £883m (£812m as at 31 March 2020), an in year increase of £71m.
97. The council's debt management strategy since 2011-12 has been to pursue a policy of internal borrowing, which is the use of existing reserves and balances to temporarily fund capital expenditure rather than the use of external borrowing. By doing so, the council has been able to minimise net borrowing costs (despite foregone investment income) and reduce overall treasury risk. Whilst this policy continues, since 2017-18, it has also been necessary to undertake new external borrowing in order to maintain target cash balances.
98. In accordance with the approved treasury management strategy, the council borrowed £65m from the Public Works Loans Board (part of HM Treasury) during 2020-21, with maturity terms ranging from 45 to 49 years at an average interest rate of 1.9%. Whilst short-term interest rates are currently lower than long-term rates, the extent of the council's capital financing requirement, the prospect for future interest rates and the need for long-term financial stability determined the need for long-term fixed rate borrowing with a view to keeping future interest costs low.
99. At 31 March 2021 the council had short term loans from other local authorities of £197m, an increase of £17m from the position at 31 March 2020. Local authority to local authority lending is common practice for short term lending since interest rates remain cheaper than those offered by the PWLB and lenders like the security of investing 'within the local authority sector'.
100. The council maintains sizable investment balances, representing income received in advance of expenditure plus balances and reserves held. Investments as at 31 March 2021 were £146m (£132m at 31 March 2020).
101. Council resources that are not immediately required for current expenditure are invested in money market instruments in accordance with the MHCLG Guidance on Local Authority Investments and the



approved investment strategy. The MHCLG guidance gives priority to security and liquidity and the council's aim is to achieve a yield commensurate with these principles.

102. The rate of return for council treasury management assets for the 2020-21 financial year was 0.56%.
103. To assess the treasury management portfolio performance, the council measures the return against a composite investment benchmark of three month LIBID and one to three year gilt index. Benchmark return was 0.11%. Whilst absolute returns were low, the council portfolio performed considerably better than the benchmark.
104. The rate of investment return generated by the treasury management portfolio is a consequence of the council's prudent, low risk approach to treasury management investing. This is in line with the requirements of the statutory guidance for local government treasury investment issued by MHCLG.

### **Community impact statement**

105. This report monitors expenditure on council services, compared to the planned general fund budget agreed in February 2020, and HRA budget agreed in January 2020. Although as a monitoring report this report has been judged to have no direct 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**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
Policy and Resources Strategy 2020-21 – revenue budget: Council Assembly 27 February 2020.	160 Tooley Street PO Box 64529 London SE1P 5LX	Rob Woollatt 020 7525 0614
<b>Link:</b> <a href="https://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=132&amp;MId=6377&amp;Ver=4">https://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=132&amp;MId=6377&amp;Ver=4</a>		
Housing Revenue Account: Final Rent-Setting and Budget report 2020-21: Cabinet 21 January 2020	160 Tooley Street PO Box 64529 London SE1P 5LX	Ian Young 020 7525 7849

Background Papers	Held At	Contact
<b>Link:</b> <a href="https://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=6418&amp;Ver=4">https://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=6418&amp;Ver=4</a>		

## APPENDICES

No.	Title
Appendix A	Interdepartmental movements to be approved for month 5 onwards
Appendix B	Analysis of Reserve Movements by Category
Appendix C	Analysis of Reserve Movements – withdrawals and additions
Appendix D	Total Movement in Earmarked Reserves in 2020-21

## AUDIT TRAIL

<b>Cabinet member</b>	Councillor Rebecca Lury, Finance, Performance and Democracy	
<b>Lead officer</b>	Duncan Whitfield, Strategic Director of Finance and Governance	
<b>Report author</b>	Rob Woollatt, Interim Departmental Finance Manager	
<b>Version</b>	Final	
<b>Dated</b>	4 June 2021	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Director of Law and Governance	Yes	Yes
Strategic Director of Finance and Governance	N/a	N/a
Cabinet Member	Yes	Yes
<b>Date final report sent to Constitutional Team</b>		4 June 2021

## Appendix A - Interdepartmental Budget Movements month 6 to year end

## Interdepartmental movements to be approved for month 6 to year end

Department From	Amount £	Department to	Amount £	Description of the budget movement
Housing and Modernisation	(208,376)	Children's and Adults'	177,720	Support Cost Reallocations
Chief Executive's	(316,060)	Environment and Leisure	1,146,705	
Finance and Governance	(100,519)			
Strategic Finance	(108,039)			
Support Cost Reallocations	(591,431)			
Children and Adults	(1,121,049)	Housing and Modernisation	2,711	Depreciation
Chief Executive's	(583,476)	Environment and Leisure	2,705,812	
Finance and Governance	(17,739)			
Strategic Finance	(986,259)			
Strategic Finance	2,742,240	Children and Adults	(2,742,240)	Transfer Universal Infant Free School Meals income budget to department
Support Costs	(861,937)	Strategic Finance	861,937	Support Cost Reallocations

## Interdepartmental movements to be noted for month 6 to year end

Department From	Amount £	Department to	Amount £	Description of the budget movement
Strategic Finance	(127,186)	Housing and Modernisation	127,186	NNDR on corporate properties
Strategic Finance	(2,886)	Environment and Leisure	2,886	Replacement door at Southwark Park office building.
Strategic Finance	(36,325)	Environment and Leisure	36,325	Tree pruning costs
Strategic Finance	(1,105)	Environment and Leisure	1,105	Replacement door at Southwark Park office building.

Net movement in reserves to be approved

APPENDIX B

From	To	Analysis of Appropriations by Category						
		Buildings/ Regeneration/ Capital £	Social Care/ Public Health £	Revenue Cost of Redundancies £	Welfare/ Hardship/ SESS £	Covid-19 £	Corporate and Modernisation £	Total £
Appropriations	Children and Adults	-	6,887,111	(107,168)	(200,031)	-	5,100,781	<b>11,680,693</b>
Dedicated Schools Grant	Appropriations	-	-	-	-	-	-	-
Appropriations	Housing and Modernise	-	-	-	-	-	1,250,266	<b>1,250,266</b>
Appropriations	Environment and Leisure	-	-	-	-	-	2,710,352	<b>2,710,352</b>
Chief Executive	Appropriations	(371,823)	-	-	-	-	(33,721)	<b>(405,544)</b>
Appropriations	Finance and Governance	-	-	-	-	-	524,000	<b>524,000</b>
Appropriations	Public Health	-	1,943,777	-	-	-	-	<b>1,943,777</b>
Appropriations	Corporate	800,000	-	-	(9,723,326)	53,425,229	(4,666,198)	<b>39,835,705</b>
<b>Total Appropriations</b>		<b>428,177</b>	<b>8,830,888</b>	<b>(107,168)</b>	<b>(9,923,357)</b>	<b>53,425,229</b>	<b>4,885,480</b>	<b>57,539,249</b>

## Movements to and from reserves in 2020-21

## APPENDIX C

<b>Department</b>	<b>Total added to reserves £000</b>	<b>Total taken from reserves £000</b>	<b>Net Movement £000</b>
Children's and Adults' Services (Core)	(18,144)	763	(17,381)
Environment and Leisure	(3,151)	441	(2,710)
Housing and Modernise	(343)	-	(343)
Public Health	(4,758)	-	(4,758)
Chief Executive's Department	-	406	406
Finance and Governance (excluding Corporate)	(524)	-	(524)
Technical Corporate Budgets	(181)	14,626	14,445
Other Corporate Budgets	(56,785)	10,111	(46,674)
<b>Total</b>	<b>(83,886)</b>	<b>26,347</b>	<b>(57,539)</b>

## EARMARKED RESERVES

## APPENDIX D

<b>COVID-19 RESERVES</b>		<b>1 April 2020 £000</b>	<b>Net movement £000</b>	<b>31 March 2021 £000</b>
Covid-19 - Business Rate Retail Relief Section 31 Grant	CM127	-	25,903	25,903
Covid-19 - Council Tax & NDR collection fund deficit	CP241	-	16,459	16,459
Covid-19 - Additional Restrictions Grant	CM116	-	4,148	4,148
Covid-19 - Contain Outbreak Management	CM116	-	2,815	2,815
Covid-19 - Welfare support	CF305	-	2,200	2,200
Covid-19 - Tackling Health Inequalities	CF300	-	500	500
Covid-19 - Recovery and renewal	CF306	-	500	500
Covid-19 - Town Centres and High Streets	CM114	-	500	500
Covid-19 - Statutory Services reserve	CM919	-	400	400
<b>Total</b>		-	<b>53,425</b>	<b>53,425</b>

<b>CORPORATE PROJECTS AND PRIORITIES</b>		<b>1 April 2020 £000</b>	<b>Net movement £000</b>	<b>31 March 2021 £000</b>
Planned contribution to 2021-22 revenue budget	CM137	-	5,000	5,000
Planned contribution to 2022-23 revenue budget	CM126	-	2,500	2,500
Southwark emergency support scheme	ZR037	2,126	914	3,040
Modernisation, service and operational improvement	ZR002	1,399	800	2,199
Southwark Scholarship Scheme	ZR027	467	1,689	2,156
Southwark Pioneers Fund	CM135	-	1,950	1,950
Climate change emergency	CM143	2,000	(213)	1,787
London devolution reserve	CM133	1,086	(350)	736
Food Poverty	CM125	-	500	500
Neighbourhood fund	RK191	270	229	499
Voluntary sector small grant support scheme	ZR026	391	-	391
Data Strategy	CT702	-	343	343
Southwark Stands Together	CM122	-	300	300
Internal audit and anti-fraud	CF157	200	100	300
Anti-fraud activity	CM120	-	250	250
Revenue grants		124	-	124
Community engagement and links development	RK052	118	-	118
Artefacts replacement and security	ZR028	117	-	117
Community safety schemes	KS443	106	-	106
Youth Review	CM128	-	100	100
Youth Parliament	CM129	-	100	100
Community Hub - voluntary sector	CM121	-	100	100
Laptops for Southwark schoolchildren		-	87	87
Emergency grant funding	CM131	11,137	(11,137)	-
<b>Total</b>		<b>19,541</b>	<b>3,262</b>	<b>22,803</b>

<b>CAPITAL PROGRAMME AND OTHER CAPITAL INVESTMENT RESERVES</b>		<b>1 April 2020</b>	<b>Net movement</b>	<b>31 March 2021</b>
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		£000	£000	£000
Aylesbury development	ZR021	6,000	-	6,000
Regeneration and development	ZR003	3,688	800	4,488
Planned preventative maintenance and building compliance	CH222	4,087	-	4,087
Information technology and customer services development	ZR020	2,195	-	2,195
Building schools for the future private finance initiative transiti	CM136	1,623	-	1,623
Modernisation, service and operational improvement	ZR024	1,356	-	1,356
Schools' capital programme contribution	EX303	1,293	-	1,293
Capital contingency	ZR015	1,287	-	1,287
Digital innovation fund	CM142	408	200	608
Public realm	KG020	500	-	500
Law and democracy business change management	CL770	346	250	596
Canada Water regeneration	RH313	214	-	214
Gym and fitness facilities	CM113	150	-	150
Black cultural centre	CM124	100	-	100
<b>Total</b>		<b>23,247</b>	<b>1,250</b>	<b>24,497</b>

<b>SERVICE REVIEWS AND IMPROVEMENTS RESERVES</b>		<b>1 April 2020 £000</b>	<b>Net movement £000</b>	<b>31 March 2021 £000</b>
Adult social care resilience	SG058	4,500	4,839	9,339
Low Traffic Neighbourhoods	KS010	-	1,852	1,852
Schools de-delegated funds	ER161	-	1,811	1,811
Rough sleeping initiative	JG923	1,567	-	1,567
Adult social care homes	SG086	1,500	-	1,500
Children's and Adults Transformation	SH002	-	1,444	1,444
Health and wellbeing commitment to mental health	CM140	1,624	(200)	1,424
Human resources transformation action plan	CM102	50	1,250	1,300
Cycling safety	KS209	1,000	-	1,000
New homes bonus GLA funded programme	ZR030	1,286	(372)	914
Temporary accommodation strategy	JG916	915	-	915
Libraries and heritage strategy	CM141	864	-	864
Highways	KS210	746	-	746
Local flood risk	KS575	680	-	680
Local economy	CM918	681	(9)	672
E&L Change Programme	KE007	-	594	594
Highways winter maintenance	KS505	576	-	576
Troubled Families	EX071	-	496	496
Recycling Fund	KG060	-	477	477
Positive futures fund	CM134	538	(228)	310
Regional adoption agency	SM412	158	92	250
Workforce development (children's services)	CP229	267	(64)	203
Schools improvement traded service	EX222	200	-	200
Workforce development (adults' services)	CP228	84	73	157
Blackfriars trust allocation	EX458	138	-	138
Public health	SP501	(1,812)	1,944	132
Special educational needs and disability transformation fund	EX242	340	(230)	110
Southwark renters union	CM111	100	-	100

Member development	CL899	97	-	97
Prevention of illegal tobacco distribution	KS121	91	-	91
Youth service	EX530	70	-	70
Special educational needs and disability internships coordinat	EX002	57	-	57
Human resources transformation	CM600	44	-	44
Local education authority music service	EX212	14	-	14
Small business support fund	CM917	1,975	(1,975)	-
London counter fraud hub	CM138	1,000	(1,000)	-
<b>Total</b>		<b>19,350</b>	<b>10,794</b>	<b>30,144</b>

<b>TECHNICAL LIABILITIES AND SMOOTHING RESERVES</b>				
		<b>1 April 2020 £000</b>	<b>Net movement £000</b>	<b>31 March 2021 £000</b>
Insurance	Z65962	7,600	-	7,600
Interest and debt equalisation	ZR005	3,500	-	3,500
Council tax and housing benefits subsidy equalisation	ZR012	3,000	-	3,000
Waste private finance initiative equalisation	ZR016	2,921	-	2,921
Universal credit implementation	CR642	966	-	966
Election reserve	CL853	809	174	983
Contractual risk	CM115	450	-	450
Business rates pooling – balance budget 2020-21	CM112	15,184	(15,184)	-
<b>Total</b>		<b>34,430</b>	<b>(15,010)</b>	<b>19,420</b>

<b>STRATEGIC FINANCIAL RISK RESERVES</b>				
		<b>1 April 2020 £000</b>	<b>Net movement £000</b>	<b>31 March 2021 £000</b>
Spending review risk	CM118	20,917	-	20,917
Business rate retention risk	ZR035	12,889	1,625	14,514
Financial risk and future liabilities	ZR004	11,300	1,893	13,193
Pension liability risk	CM119	2,500	-	2,500
Leaving European Union risk	CM139	2,000	300	2,300
Schools in financial difficulties and school closures	EX021	900	-	900
<b>Total</b>		<b>50,506</b>	<b>3,818</b>	<b>54,324</b>

<b>Earmarked Reserves (ex Covid reserves)</b>	<b>147,074</b>	<b>4,114</b>	<b>151,188</b>
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<b>Item No.</b> 10.	<b>Classification:</b> Open	<b>Date:</b> 15 June 2021	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Policy and Resources Strategy: Capital monitoring outturn report 2020-21	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Rebecca Lury, Finance, Performance and Democracy	

### **FOREWORD – COUNCILLOR REBECCA LURY, CABINET MEMBER FOR FINANCE, PERFORMANCE AND DEMOCRACY**

As ever, the Council has continued to deliver major investments and improvements into our borough through the capital programme despite the necessity to review and revise the programme during 2020-21.

At the end of the financial year, work funded by the Housing Investment Programme was £215m, comprising £71m on existing stock, £132m on new council homes and £12m on wider regeneration schemes. The council aims to deliver 2,500 new council homes by 2022. At 31 March 2021, 706 have been built, projects are on site will deliver a further 789 new homes and 28 schemes having received planning permission to deliver a further 1,037 new homes that will start on site or complete by 2022.

Investment in General Fund assets during the year was over £116m including investments in schools, highways, environment and leisure, in addition to investment in our existing operational assets and IT infrastructure.

This investment is additional to the major regeneration projects at Canada Water, Aylesbury, Elephant and Castle, Camberwell and other parts of the borough, all aimed to make Southwark a great place to live, work and study and to improve the opportunities and outcomes for all residents.

### **RECOMMENDATIONS**

That cabinet:

1. Notes the outturn and resources for 2020-21 and future years for both the general fund and housing investment programmes as detailed in Appendices A, B and D.
2. Approves the virements and variations to the general fund and housing investment capital programme as detailed in Appendix C.
3. Notes the substantial funding requirement of £290m for future years which needs to be identified for the general fund programme in order for

this to be fully delivered, as summarised in Appendix A.

4. Notes the borrowing requirement of over £900m required for future years for the housing investment programme to be fully delivered over the remaining term of the programme, as detailed in Appendix B.

## **BACKGROUND INFORMATION**

5. On 2 February 2021, the month 8 2020-21 capital monitoring report was presented to the cabinet. This reported the capital forecast position of £251.8m and borrowing requirement of £96m (£88m on the general fund programme and £8m on the housing investment programme).
6. The total programmed capital expenditure over the ten year period to 2029-30 is £578m for general fund and £2,159m for the housing investment programme.
7. The scale of the capital programme is immense, representing 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 do business in the borough.
8. Due to the size and scale of the programme and the number of projects involved, it is inevitable that unforeseeable delays can occur which lead to some variations against planned spend. Actual resources may also vary to the plan, due to, for example, a delay in the sale of a property, or an external development with s106 or CIL obligations not being brought forward as quickly as anticipated.
9. Historically the capital programme has been over-programmed in year to compensate for these variations, whilst retaining a balanced programme over the entire ten year life of the programme. However, the council now faces a position where planned spend is considerably in excess of forecast resources, not only in year, but also over the life of the programme.
10. The council's constitution requires council assembly to agree the capital strategy and programme at least once every four years, ensuring effective financial control and the achievement of value for money, within the provisions of financial standing orders. On 20 February 2021 the council assembly agreed a refreshed 10 year general fund capital programme and housing investment programme (HIP) for the period to 2029-30. Cabinet will consider and approve the refresh of the capital programme on a regular basis through capital monitoring reports to ensure it is fully updated and aligns with the council's key priorities.
11. The Covid-19 pandemic has had a considerable impact on the council's capital programme since the 'lockdown' commenced in mid March 2020. As noted in the directorate narratives, work has been halted or delayed

due to lock-down, social distancing and supply chain issues as well as consequential cost increases and indications of reduced or suspended funding.

## KEY ISSUES FOR CONSIDERATION

12. In meeting the council's fairer future promises, in 2020-21 the council made a total capital investment of £331m. This comprised £116m investment in General Fund and £215m in the Housing Investment Programme.

### Capital Expenditure in 2020-21 by Service Department:

Department	Budget £'000	Actual £'000	Re- profiling to future years £'000
Children's and Adults' Services	21,449	11,652	9,797
Southwark Schools for the Future	2,891	2,891	0
Chief Executives	79,065	69,431	9,634
Environment & Leisure	23,507	20,161	3,346
Housing & Modernisation	12,240	11,912	328
Housing Investment Programme	189,753	215,381	(25,628)
<b>Total capital expenditure</b>	<b>328,905</b>	<b>331,428</b>	<b>(2,523)</b>

13. Due to the size and scale of the programme and the number of projects involved, it is inevitable that some variations against planned spend will occur.

### Programme outturn position 2020-21

#### General Fund

14. The total-spend for 2020-21 for general fund is £116m against a plan of £139m (83% of forecast). The variance between spend and available resources was £89.9m, which was funded from borrowing
15. The total forecast spend for the programme to 2029-30 is £578m, against total resources, excluding borrowing, of £194m. This variance will need to be monitored and reviewed over the course of the programme.
16. The summary position and the programme by department are reflected in the narrative below and in Appendix A. Appendix D provides detail at project level.
17. Appendix C shows the budget virements and variations for approval by cabinet.

## Housing Investment Programme

18. The total expenditure for 2020-21 is £215.4m, against a forecast at Month 8 of £115.8m. Appendix B provides a summary of the housing investment programme outturn position for 2020-21, with further detail provided below.
19. The total forecast spend for the programme to 2029-30 is £2,159m, against total resources, including borrowing, of £2,052m. This variance will need to be monitored and reviewed over the course of the programme.

## Financing capital spending

20. Capital expenditure is financed through a variety of sources, typically receipts from the sale of capital assets, capital grants, and external contributions such as S106 or Community Infrastructure Levy (CIL), from reserves or from revenue budget contributions. Any capital expenditure that is not financed by available capital resources must be financed by borrowing.
21. The strategy for financing the capital programme is to utilise grants, before using council receipts and reserves, thereby minimising any requirements for borrowing which will impact on the council's revenue budget.
22. The council can temporarily utilise other resources in lieu of using external borrowing to fund capital expenditure. This is referred to as internal borrowing. Whilst internal borrowing is a useful treasury management facility to minimise debt financing costs, it merely defers the timing of external borrowing rather than obviating the need.
23. Financing of 2020-21 capital expenditure is set out below:

	<b>General Fund £'000</b>	<b>HIP £'000</b>	<b>Total £'000</b>
<b>Total Spend</b>	<b>116,033</b>	<b>215,381</b>	<b>331,414</b>
<b>Financed by:</b>			
Capital Receipts	2,008	12,904	14,912
Capital Grants and contributions	11,946	33,506	45,452
Section 106 Funds	12,150	39,520	51,670
Major Repairs Reserve	-	52,726	52,726
Revenue contributions and reserves	-	20,640	20,640
Borrowing	89,943	56,085	146,028
<b>Total financing</b>	<b>116,047</b>	<b>215,381</b>	<b>331,428</b>

24. The shortfall in available capital resources is financed from borrowing and will be funded from revenue contributions to support the debt costs over the life of the debt repayment.
25. The treasury management strategy has been to defer external borrowing, borrowing only when needed for liquidity purposes. Whilst this strategy has worked well for the council, the increase in capital spending can no longer be financed entirely from internal borrowing. Accordingly since 2017-18 the Council has needed to borrow externally to finance capital spending and to maintain target cash balances.

### **Resourcing the 2021-22 programme onwards**

26. The make up of the capital programme is significantly influenced by the scale of resource availability from grants, s106, community infrastructure levy (CIL) and capital receipts and their timing. Over the life of the programme, all commitments must be met from anticipated resources. In the event of any shortfall in resources to fund the programme in any particular year the council would need to consider the use of prudential borrowing to bridge the gap. The cost of servicing the debt will be a charge to the revenue budget and funded from savings and/or returns on investments.
27. In the current ten year programme included within this report, there is a shortfall of available funds of £385m to meet the planned general fund capital commitments. The ambitious housing investment programme assumes borrowing of £958m.
28. In addition, proceeds from capital receipts are continually kept under review especially for sales and development agreements. Financing will require careful monitoring of commitments and a drive to secure the forecast capital receipts and other resources as planned over the rest of the programme.
29. 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. Future demands for borrowing will be assessed as part of our Treasury Management Strategy. The timing of any decision to borrow will be mindful of cash flows and risk/probability of future interest rate increases.

### **Departmental Updates**

30. The sections below provide commentary on the budget outturn position by department for 2020-21.

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

### **CHIEF EXECUTIVES**

31. The total value of the capital programme for the department over the period 2020-21 to 2029/30 is £218.3m. Total expenditure incurred to the end of March 2021 amounted to £69.4m.

#### **Regeneration Division**

32. The regeneration division (comprising of 4 project areas namely Regeneration North, Regeneration South, Regeneration Capital Works & Development and Property Services) have a combined budget of £173.5m with total expenditure of £59.5m spent in 2020-21 and the remaining spend profiled across future years.

#### Walworth Road Town Hall

33. In December 2020 General Projects, the council's partner for the Walworth Town Hall project received planning and listed building consent for the refurbishment of the buildings and their use as co-working and business start-up space with a café and community space. This is a significant milestone in the programme to restore these Grade 11 listed buildings and to remove them from the building at risk register. The s106 agreement is in the process of being concluded and planning permission is expected to be issued during June enabling the developer to start on site in quarter 3 of 2021-22.
34. The community space will be managed by a new body with an independent chair and will comprise representatives from the community, youth, council and developer. An independent advisor will be shortly appointed to recruit the community, youth and independent chair. The management body once formed will have responsibility for appointing an operator to run the facility on a sustainable basis.

#### Canada Water Leisure Centre

35. The council's new Leisure Centre which will replace Seven Islands is to be located on plot A2 within the British Land Canada Water Masterplan. As noted in the last update planning permission for the new facility has now been secured for this transformational project and enabling works are now underway to prepare for plot A2 for development. British Land expect to appoint a main contractor for the project by quarter 3 of 2021-22. The current programme anticipates that the new leisure centre will be open to the public in 2025.

#### Elephant and Castle Open Spaces

36. Dickens Square/ Dickens Fields: Contract awarded. Construction works

started on 14 December with expected completion in July 2021 as opposed to June as previously reported. This slight delay is due to works around the mosque being deferred due to Ramadan.

37. Victory Community Park - Consultation on current proposals delivered throughout August and September 2020 via online survey and remote session. Consultation period has been extended at the community and ward councillors request. Consultation on developed design May – July. Planning submission August – November 2021. Construction Jan – May 2022.
38. Nursery Row: Approval of PID in February 2021. Consultation starts July 2021.

#### Local CIL Programme

39. The council launched a community consultation exercise in March 2020 to find out residents project ideas for spending the £6.5m of local CiL which has been secured from developments across the 23 wards in the Borough. Over 1000 project ideas were submitted. Following an assessment process councillors have agreed Community Investment Plans [CIP's] for their wards identifying local infrastructure projects that they wish to deliver over a 3 year period. The CIP's for all 23 wards in the borough were approved by cabinet in December 2020 and January 2021. In total around £6m has been allocated to 66 projects.
40. Projects include Little Dorrit Park in Bankside and Newington Gardens in the Elephant and Castle. Pedestrian improvements will be undertaken in Camberwell and Dulwich which have been affected by the COVID-19 pandemic and the need to ensure social distancing in retail areas. The process of implementing these projects over the next 3 years has now commenced.

#### 44 Webber Street

41. Essential repairs are required to the structure and fabric of this Victorian, former school building which is let on commercial terms to the well regarded Centre for Literacy in Primary Education (CLPE). The asset generates a significant income and will continue to do so post-works, at which point we have negotiated the transfer of future repairing obligation from the landlord to the tenant. Works are underway and nearing completion. This has been a complex project and as at month 12 some degree of overspend is anticipated, running into 2021-22. The final outturn figures are in negotiation with our advisors and the contractor and may be the subject of arbitration.

#### Voluntary Sector Strategy

42. Voluntary Sector Strategy entails necessary works to VCS buildings, and

in particular the refurbishment of Sojourner Truth Centre to be completed in 2021-22. Additional projects have been identified and are being appraised – 12a Asylum Road, Wells Way, 177 Abbey Street. If the council is to retain the buildings it will need to invest to avoid them becoming unusable liabilities. We propose to develop individual capital bids for these and some commercial assets in a similar position. The options are being reviewed and cabinet will be updated in the next capital monitor report

#### Pullens Yard Improvements

43. Pullens Yard Improvements is an ongoing project to achieve minimum fire safety compliance in old workshop premises integral with tenanted and leasehold residential premises. The project is underway, on a unit by unit basis with £178k spent in 2020-21, and further expenditure expected throughout 2021-22.

#### Void Shops

44. Void Shops now unbudgeted. However, these are essential works to ensure that shops meet minimum statutory, safety and environmental performance standards. If capital cannot be made available to continue the programme either the costs will need to be met from income (primarily HRA revenue), or the shops will become unlawful to let. The options are being reviewed and cabinet will be updated in the next capital monitor report.

#### Peckham Library Square

45. Bouygues have been appointed as the contractor. The council has paused the new homes scheme, which includes a gallery funded by the General Fund, until the public realm consultation has been carried out.

#### 21/23 Parkhouse Street

46. Parkhouse Street is a council homes scheme. The scheme also includes commercial space. Updated information was submitted for the planning application in March 2021 and a decision on planning approval is awaited. The combined budget for the programme overall remains unchanged at £14.8m. The costs are indicative at this stage.

#### Canada Water Historic Development Costs

47. Cabinet approved terms for a Master Development Agreement in March 2018. The agreement consolidates land holdings at Canada Water paving the way for the comprehensive redevelopment of a 55 acre site which will deliver new homes (including up to 700 affordable units), jobs, new leisure centre (to replace Seven islands), public routes and open spaces. Under the terms of the agreement the council has secured a 20% interest



in the site and has an opportunity to invest in the regeneration of the area on a plot by plot basis. The agreement provides a flexible framework by which the council can potentially benefit from the growth in capital values and rent which are expected to be generated from British Land transformation of this key site. These returns could be used to support the funding of services benefitting residents. Plot investment decisions will be the subject of separate Cabinet reports the first of which is scheduled for March 2021.

48. The council completed the MDA in December 2020 and planning permission has also been secured. Once the agreement was completed the council was required to make payments to British Land to meet the cost of its 20% share of the former Rotherhithe Police Station site and Dock Offices sites. These parcels of land form part of the development site and planning consent. In addition a payment was also required to meet costs arising from development of the scheme to date. These payments have now been made ensuring the council retains its 20% share in the MDA site and plot investment options.

### **Planning and Transport Division**

49. The planning division (comprising of 2 project areas, namely transport planning and planning projects) has a total budget of £7.1m with £4.98m total expenditure in 2020-21 and the balance profiled over future years.
50. The transport planning has a budget of £6.6m which is largely funded by Transport for London (TfL) to deliver transport improvement programme as contained within the borough's movement plan. Planning Projects has budget of £0.5m is funded mainly by external grants and capital receipts to deliver various projects to improve public realm to support the commercial viability of local shopping area in Peckham.

### Peckham Townscape Heritage Initiative

51. Phase 1 of the part Heritage Lottery funded Peckham Townscape Heritage Initiative completed in 2019; Phase 2 will achieve practical completion by end of May 2021, and Phase 3 is in detailed design, will be on site November 2021 and completed May 2022.

### TfL Funded Works

52. Southwark Cycle Spine works are nearing completion on site with some spend beyond TfL funding forecast, which will be funded from the cycling infrastructure fund capital budget. A review has been completed of the design of Cycleway 4 along Lower Road, albeit with some delay, to and through Surrey Quays town centre to Lewisham.
53. Funding has been secured through the London Streetscape Programme, enabling the delivery of experimental works to improve active travel

conditions and further support social distancing. This has included works to delivering school streets, provision of additional on street cycle parking and cycleways. An additional £250k has been provided by Impact on Urban Health (formerly GSTTC) to create low traffic neighbourhoods in north Camberwell, north Peckham and around the Ark Walworth Academy.

#### Elephant and Castle Roundabout Project

54. The capital programme also includes the remaining s106/CIL contribution of £37.7m (part of the total £63m) agreed by the council towards the strategic transport improvements project in Elephant & Castle.

### **CHILDREN'S AND ADULTS' SERVICES**

55. The total value of the departmental capital programme for the period 2020-21 to 2029-30 is £123.2m the final departmental capital outturn for 2020-21 was £14.5m.

#### **Adult Social Care**

56. The capital programme budget for the period 2020-21 to 2029-30 is £32.9m, the main projects being; £16m in respect of a programme of improvements to existing care settings, £10m for the provision of an additional bed-based care facility and £6.2m for an essential lifecycle capital programme for four residential care homes. The budget for future years has been re-profiled in line with projected expenditure.
57. The activity on the programmed life cycle work has been considerably affected by the pandemic. This resulted in some delays in the planned work on a number of sites in 2020-21. The programme delays lead to a lower than predicted spend of £216k in 2020-21 which is around £384k reduction to the forecasted spend.
58. Lifecycle work on Residential homes were also affected by Covid-19 that resulted in delays in tendering and completing various projects. The expected spend on the homes has been consequently revised to £1.1m for 2020-21 however the actual outturn was even lower at £726k.
59. The Adult Social Care Capital Board has identified a number of priorities for 2020-21 and beyond to meet current and future needs of vulnerable adults in the borough. The council is actively working with commissioned providers and partners to ensure sufficient capacity and choice of high quality provision across the borough.

#### **Children's Services and Southwark Schools for the Future (SSF) Programme**

60. The Children's Services capital programme budget for 2020-21 to 2029-

30 is £84.5m. This consists of a £31.3m development of Charter & Rotherhithe Schools, £17.5m refurbishment and £11.6m on Beormund Special School. The overall programme is focussed on rightsizing provision, ensuring the estate remains fit for purpose (and also on contributing to addressing high needs provision in the borough). 2020-21 Outturn for the Children's Services Capital Programme is £10.5m

61. There is an additional £5.5m remaining in the Southwark Schools for the Future Capital Programme which consists of the rebuilding of SILS KS3. 2020-21 outturn for SSF is £2.9m.
62. The overall context is that there is spare capacity in the primary sector because of falling rolls relating to a reduced birth rate and a slow down in growth in the secondary sector. Opportunities are being explored for rationalisation of buildings to make the best use of existing assets to reduce running costs for schools. There is also pressure to increase place supply for children with special needs, which is a national pressure.
63. Following the completion of the vast majority of school expansion projects which have now been successfully handed over, the key remaining project on school expansion is at Rotherhithe School. The main works are progressing well, and target completion and decant into the new school is scheduled for December 2021, with demolition of the existing school and landscape works to follow, completing in June 2022. Funding for this project needs to be monitored closely given the absence of basic need grant.
64. Work is progressing well on Charter School East Dulwich phase 2, which includes the 6th form centre and resource base with a targeted completion date of September 2022. In addition work is planned to start this year on the Riverside School project.
65. The Primary Schools Refurbishment programme for 2020-21 is now complete and planning is already well progressed for 2021-22 programme.
66. A Key priority of the programme is the provision of SEN/ higher needs places, building upon the work at Cherry Garden School and at Park College post 16 provision. Significant work was undertaken at SILS KS3 in 2020-21 and the project is now complete. However, there has been some slippage in the opening of resource unit at COLA. In addition the planned project at SILS KS4 needs to be reviewed given the change in market conditions, and this may be subject to a future capital bid.
67. In the future there may be capital bids for other priority area such as the Adult Learning Service.
68. The Children and Families division is requesting funding of £235k in order

to complete the current programme of works aimed at increasing in-house fostering capacity. Three homes of foster carers are being converted in order to accommodate children with various, and in some cases complex, needs. This is an invest-to-save project which avoids significant placement costs in residential settings. The original budget was approved in 2018 was based upon an initial estimate without there being surveys conducted and quotes prepared by our Property division, and thus has turned out to be inadequate. Future requests for funding will take lessons learned into account.

## **ENVIRONMENT AND LEISURE**

69. The total value of the departmental capital programme for the period 2020/21 to 2029/30 is £158.1m. The final 2020/21 outturn is £20.2m against the latest revised budget of £23.5m. The budget for future years will also be updated in line with the outturn.
70. The progress of major schemes is outlined below.

### **Highways**

71. The final outcome of the Highways capital renewal programme budget was £5.4m, due to increased traffic management costs on the new contract. However the capital renewals programme remains ahead of schedule following a major push to take advantage of favourable rates under the old contract. The final outturn for Devolved Highways is £400k which is down against forecast due to completions on a number of schemes extending into the new financial year
72. The Principal Roads programme has finished approximately on forecast with a final outturn of £627k against a forecast of £623k for 2020-21. Additional funding for principal roads, beyond this capital budget, was provided by TfL. This allowed some acceleration of the programme and some schemes will be brought forward from future years.
73. Completion of works under the cycle infrastructure fund have been delayed by the closure of Rye Lane, which was to be used as a diversion route, resulting in a £223k underspend which will be completed during the coming summer.
74. Construction work for 20mph zone improvements have progressed well this year and final outturn of £661k is approximately in line with forecast. Increased traffic management rates under the new contract may result in a funding shortfall towards the end of the end of the programme in 2024.
75. Rotherhithe New Road and works at Balfour Street are now complete.
76. Old Jamaica Rd area scheme is substantially complete, however scheme extents were curtailed due to the need to tie in with works next year under

TfL funding stream (Tanner St to Willow Walk cycle route). £33k has been carried forward to allow for this.

77. Works under the school expansion programme were brought forward to take advantage of the schools being closed during lockdown allowing the programme to complete on target.
78. The Southwark School Streets programme has delivered well against the council plan target (31 completions against a target of 30) with a 6% saving. Saving to be carried forward to next financial year as contingency.
79. Cycle Hangers programme was delayed by a move to map based orders that required a standstill on order making in February resulting in reduced delivery in the short term, as such final outturn was substantially down on forecast. Underspend to be carried forward to next financial year with delivery being accelerated to ensure council plan target for coming year is achieved.
80. St Saviour's Footbridge is now substantially complete within budget and no further costs expected from this capital budget.
81. Cox's Walk footbridge works have been delayed and the scheme is being reviewed.
82. For Cleaner Greener Safer (CGS) the five Multi Ward forum meetings were completed by March 2021 and for the 2021/22 financial year CGS funding was allocated to 164 new projects and 68 grants.
83. As of 1 May 2021 CGS has 390 active projects and 157 grants. The team's ability to deliver is still compromised because of COVID-19.
84. Despite completing 156 projects in 2020-21 there is still a slight backlog.

### **Flood Prevention**

85. Coleman Road Flood Alleviation project substantially completed in 2018/19, additional works were undertaken in 2019-20. Final invoice has now been agreed and presented for payment in April 2021. Work is ongoing across the borough as planned to replace dysfunctional gullies.
86. The major project under development is the Lost Peck Scheme. The Scheme which will protect more than 200 homes and business premises is estimated at £1.4m and is expected to be funded by the Environment Agency (EA). Planning approval was granted on 4th March 2020. An outline business case submitted to the EA in July 2020 has received approval in principle. Additional section 106 funds is being sought to cover the cost of general environmental improvements to be delivered as part of the scheme. Aecom Consultants have been commissioned to undertake detailed design, with Geotechnical Investigation also

commissioned to inform detailed design. Results of the Geotechnical investigation have been received and the design process is due to be completed at the end of July 2021. A PSC contract is being drawn up to engage with the preferred contractor of the Environment Agency to undertake the civil works once the design has been completed.

### **Asset Management**

87. The programme for Lamp column replacement on the basis of structural integrity and lantern replacement for energy consumption reduction is completed as planned. Planned LED lantern renewals are completed and structural failures have been replaced. Structural and electrical testing has taken place for full programme.
88. Electric Vehicle lamp post chargers – The planned programme of 100 charge points is completed.

### **Parks and Leisure**

89. Expenditure across the Parks and Leisure Capital Programme in 2020-21 has been affected by programme delays due to COVID – 19. However, despite an initial disruption, the programme has recovered pace and several projects were progressed to construction phase and/or completion this year
  - Leathermarket Gardens completed August 2020
  - Newington Gardens completed October 2020
  - Area Z completed January 2021
  - Nunhead East Lodge – Phase 1 completed March 2021
  - Lock Gate completed March 2021
  - Southwark Park Sports and Athletics Centre started construction in October 2020
  - Dickens Fields started construction in December 2020.
90. At the end of 2019-21 the forecasted spend for 2020-21 was £15m
91. This figure was adjusted to £10.5m in April 2020 to take account of anticipated delay in several project including two particularly high value projects:
  - Burgess Park Sports Hub – in response to public concerns, adjustments have been made to the final design requiring planning amendment
  - Dickens Square delay in completing procurement process during the first lockdown .
92. The final spend in Parks and Leisure Capital Programme for 2020-21 was £7.7m an underspend of just under £3m.

93. This is partly due to a delay in receiving the final invoices for Walworth Library project, and further programme delays experienced as a result of covid impacts at Cossall, Little Dorrit and Pelier Parks.
94. **Cemeteries:** Construction work at Area Z completed in January. Phase 14 works to partially dismantle and re-stabilise the building at Nunhead Cemetery East Lodge have also completed. Architectural designs for phase 2 are in pre-planning advice. Works to install new welfare facilities for ground workers at Camberwell New Cemetery began in January and will complete in June 2021. The total spend in cemeteries for 2020-21 is £1.4m.
95. **Marina Investment:** The construction contract to replace the lock gates achieved practical completions in March 2021 resulting in a total spend of £750k in 2020-21. Residual works to the repair the control panel will completed in 2021-22.
96. **Leisure Investment: Southwark Athletics Centre** construction is underway with a project spend of £968k in 2020-21. There is a £150k underspend against the forecast budget due to programme delay.

### **Culture**

97. Southwark Heritage Centre and Walworth Library project opened on 19 April 2021. The project is currently on budget and final account will be completed in quarter 2 in 2021-22. Some minor snagging issues are still being dealt with and should be completed by June.
98. Library infrastructure & IT projects - Rollout & implementation of new RFID self service kiosks was delayed due to Covid19. This is now expected to be completed by early autumn 2021. The refresh of the public PCs is due to complete in 2021-22 however there have been some delays in starting this project due to Covid – revised milestones are being confirmed with the supplier.

### **Regulatory Services**

99. The 2 year FTC air quality projects officer post has been filled and the projects that post will enable are now underway. A Gateway 1 for the spend on the Authority's large boiler plant emissions testing is currently being coordinated, the electric cars have been ordered, the car free days programme is being arranged and all other projects covered by the capital bid are now ramping up for delivery. The Air Quality Awareness comms campaign has not moved forward due to pressures in the Comms team due to the C-19 pandemic.

## **HOUSING AND MODERNISATION**

### **Housing General Fund**

100. The total value of the Housing and Modernisation general fund capital programme for the ten years to 2029-30 is circa £79m and comprises a diverse range of activity, mostly of a corporate back-office nature, which supports wider service delivery across the council. Expenditure for the year was £11.9m, around £0.2m lower than previously forecast, which took into account the impact of Covid-19. The nature of capital investment means that the complexity and inter-dependencies with other work streams can lead to some slippage as is the case this year and re-profiling in order to deliver optimum service outcomes and best value. The key headlines are outlined below.

### **Modernise – Corporate Facilities Management (CFM)**

101. The CFM programme enables the council to meet its statutory responsibilities for ensuring its operational buildings are compliant with health and safety regulations and ensure the wellbeing of its employees and service users. This is achieved through a comprehensive inspection and assessment regime and building lifecycle maintenance programme designed to enhance their life and maintain asset value. Notwithstanding the restrictions arising from the pandemic, substantial progress has been made by taking advantage in some instances of key buildings being largely unoccupied, enabling works to be undertaken more efficiently and safely. The service delivered corporate investment in 2020-21 of £3.1m, plus a further £1.5m on projects to departmental clients who hold the budgets.

### **Modernise – Queens Road 4**

102. The planned development of QR4 was a key element in the council's office accommodation strategy with a view to rationalising existing office provision into a two-hub model at Tooley Street and the Queen's Road complex. However, the unprecedented workplace changes made in response to the pandemic warranted a re-examination of the proposal and the council took the decision to pause the project to consider its longer-term accommodation requirements post Covid-19. Spend this year was limited to a residual £0.4m and the project has been removed from the capital programme. This site will now be subsumed into the council's new homes programme for future development

### **Modernise – Technology and Digital Services (TDS)**

103. There are a number of major projects underway and in development; not least the data centre migration to a cloud-computing environment (Azure). The critical importance of the council's IT infrastructure was demonstrated through the response to the pandemic and the focus on upgrading the



network and internet connectivity will continue. The investment of £1.9m in 2020-21 does however reflect the necessary re-prioritisation to delivery of the smart working programme detailed below.

### **Modernise – Smart Working Programme**

104. The ‘modern ways of working’ programme seeks to transform the way the council operates by enabling council employees to work in more flexible and efficient ways, supported by technology. This year was particularly poignant as the acceleration of this programme in response to Covid-19 saw £5m of investment in remote working technology needed to ensure services could be maintained. While this work will continue in the short term, it will be subsumed into the wider IT investment programme.

### **Asset Management – Housing Renewal**

105. Housing Renewal comprises a range of initiatives that principally support people in private sector accommodation to remain living independently through assistance with repairs, improvements and adaptations to their homes. Support is also provided to landlords and property owners to bring their properties back into use. The programme is largely funded through Disabled Facilities Grant (DFG) and the council’s own resources for the provision of grants and loans.
106. Due to the pandemic the council had to put on hold works across all tenures in line with Government guidance. However, specific measures were put in place to ensure the service could respond to emergency requests for clients with life-limiting conditions or to support hospital discharge cases. Total spend in 2020-21 was still £1m and unspent funding will be rolled forward to accommodate an enhanced programme in 2021-22.

### **Resident Services – Traveller Sites**

107. The programme of reconfiguration and improvement works to address health and safety and compliance issues (principally fire safety) across all travellers’ sites is due to complete this year. However, delays due to the pandemic have resulted in additional costs, namely prolonged temporary re-housing, storage of mobile homes and residents belongings and enhanced safety works identified as the project progressed. Planned works at the Brideale and Burnhill sites are subject to review and will be reported to Cabinet at a later date. While spend in 2020-21 was £0.4m, the council had previously secured grant funding of £1.738m from the Greater London Authority (GLA) towards the cost of this works programme.

## **HOUSING INVESTMENT PROGRAMME (HIP)**

108. Overall, HIP spend during 2020-21 was £215.4m, comprising £70.9m on existing stock, £132.3m on new council homes including £8.9m for acquisitions and site assembly costs and £12.2m on wider regeneration schemes. Funding for the programme comprises, Major Repairs Reserve (MRR) and revenue contributions £75.4m, external grant funding £33.5m, s106 developer contributions £39.5m, RTB and other capital receipts £10.9m and new borrowing £56.1m (total £215.4m).
109. The long-term investment programme is currently under review and over the coming months will see significant change to that presented at this juncture as the council responds to the unprecedented investment challenges that it faces, particularly in relation to new and emerging building and fire safety requirements, the heat network, the redevelopments at Aylesbury, Ledbury and Tustin, and the council's carbon neutrality commitments. The scale of investment needed is immense and will require significant borrowing, and the council must ensure that the revenue financing costs arising from it remain affordable to the HRA over the long-term without adversely impacting day to service delivery. The reviews being undertaken now will help to ensure the HIP can be delivered in line with resource availability and affordability.

### Quality Homes Investment Programme (QHIP)

110. QHIP is the principal strand of the council's asset management strategy for maintaining and renewing the existing housing stock and is the successor to Warm, Dry, Safe (WDS). Spend in 2020-21 was £51.8m. Due to pandemic restrictions, internal works, including the kitchens and bathrooms programme, were not carried out, with the focus on external works and district heating infrastructure. A re-profiling of the QHIP, to take into account new legislative demands around building and fire safety, is currently being undertaken and will be presented to Cabinet in summer 2021.

### Heat Network Strategy

111. The council's Heat Network Strategy recognises the substantial investment required in its ageing heat network. Running alongside this is the council's ambitious commitment to be carbon neutral by 2030. A report commissioned in 2016 by industry experts Parsons Brinckerhoff estimated investment of around £350m over forty years would be required to address the situation. However, this estimate is now likely to be substantial light of the investment required to deliver a modern heating network that also makes a significant contribution to carbon reduction. A Heat Networks Strategy paper will be presented to Cabinet alongside the Asset Management Strategy in summer 2021. The council's first residential heat pump scheme at Consort, Wyndham and Comber started during 2020 and is expected to complete in autumn 2021.

### Special Schemes (High Needs)

112. The special schemes programme covers those estates identified as high need/high cost requiring extensive repair and refurbishment. The schemes by their nature are complex and resource intensive and require bespoke funding solutions outside of the main QHIP programme. £6.7m was spent in 2020-21, with £16.8m earmarked for 2021-22. However, programme resources will need to increase significantly as schemes such as the Tustin estate low-rise and Ledbury Towers are progressed and brought into the mainstream HIP.

### Other Programme Schemes

113. The remainder of the main programme covers a wide range of schemes, with spend of £6.9m in 2020-21. This includes fire risk assessment, legacy warm dry and safe schemes, major works on individual properties and hostels, and works carried out on behalf of the council by Leathermarket JMB.

### New Council Homes

114. The council aims to deliver 2,500 new council homes by 2022, with 706 having been built to date. Projects are now on site to deliver 789 new homes, with 28 schemes having received planning permission to deliver a further 1,037 new homes that will start on site or complete by 2022
115. The housing regeneration programme forms part of the wider new homes programme delivering new homes though both working in partnership with developers and direct delivery. As part of this, new homes at Copeland Road will be completed and ready for occupation this year, while direct delivery schemes Flaxyard, Wickway, the Albion Sites, Penry Street and Parkhouse Street will be all be on site over the next few months, with development partnerships at Manor and Braganza, Southwark Park Road and Cherry Gardens also starting. This represents a significant shift in the regeneration programme as construction work ramps up following delays caused by Covid-19 and Brexit. Future risks remain including construction price volatility, the housing market and changes to building safety regulations and climate change.
116. Achieving the longer-term commitment to build 11,000 homes will require more land for development than is currently available and this is reflected in the HIP with resources earmarked for site assembly. The incidence and timing of prospective land and property acquisitions cannot be accurately predicted which is why HIP resources are earmarked to provide the flexibility to enable the council to avail itself of market opportunities as they arise.
117. During 2020-21, £123.6m was spent on new homes and £8.7m on site

assembly and acquisitions. In March 2021, the council entered into variation to the Development Partnership Agreement (DPA) with Notting Hill Genesis which will secure delivery of 581 new council homes on the First Development Site at the Aylesbury Estate. As part of this arrangement, the council paid £65.9m to Notting Hill Genesis to reimburse costs incurred by them in respect of this development, and which forms part of the overall £123.6m spent on new homes.

### Regeneration Schemes

118. Spend on regeneration schemes for 2020-21 was £12.2m. The most significant regeneration scheme is the Aylesbury estate, which is planned in four phases. Expenditure in 2020-21 is £10.4m, of which £5.7m was for leasehold buybacks and home loss payments, £3.3m for the Approved Premises Facility and £1.4m for site related costs. The project has been subject to unavoidable delays arising from the rejection of the council's original CPO application resulting in a slower buy-back rate for phases 1 and 2. Given the continued uncertainty, further revisions to the current forecast and the overall acquisition programme are possible and will be kept under review.
119. Expenditure on phase 3 of the environmental works on the East Dulwich estate, which commenced last year, was £1.3m. The scope of the works includes playground refurbishments and new communal gardens, new car parking areas and pedestrian paving, new planting across the estate and minor drainage works. Other works within this programme area included feasibility studies for the Tustin low rise programme (£0.3m), residual works on legacy schemes (£0.1m) and commercial properties (£0.1m).

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Director of Law and Governance**

120. 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.
121. 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**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
Capital programme 2020-21 to 2029-30	Southwark Council Finance and Governance 160 Tooley Street London SE1 2QH	Rob Woollatt, Interim Departmental Finance Manager, Finance and Governance
<b>Link (please copy and paste into browser):</b> <a href="https://moderngov.southwark.gov.uk/documents/s93768/Report%20Capital%20Refresh.pdf">https://moderngov.southwark.gov.uk/documents/s93768/Report%20Capital%20Refresh.pdf</a>		

**APPENDICES**

<b>No.</b>	<b>Title</b>
Appendix A	General fund Outturn Position 2020-21 and Refresh for 2021-22 to 2029-30
Appendix B	Housing investment programme summary outturn 2020-21 and Refresh for 2021-22 to 2029-30
Appendix C	Budget virements and variations at 2020-21 outturn
Appendix D	General fund programme detail at 2020-21 outturn and Refresh for 2021-22 to 2029-30

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Rebecca Lury, Finance, Performance and Governance	
<b>Lead Officer</b>	Duncan Whitfield, Strategic Director of Finance and Governance	
<b>Report Author</b>	Rob Woollatt, Interim Departmental Finance Manager	
<b>Version</b>	Final	
<b>Dated</b>	7 June 2021	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Director of Law and Governance	Yes	Yes
Strategic Director for Finance and Governance.	N/a	N/a
Cabinet Member	Yes	Yes
<b>Date final report sent to Constitutional Team</b>	7 June 2021	

Appendix A - General fund capital programme 2020/21 outturn report

Department	2020/21			2021/22			2022/23+			Total Programme 2020/21-29/30		
	Revised Budget	Outturn	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
Children's and Adults' Services	21,449	11,652	(9,797)	67,022	58,262	(8,760)	29,234	47,791	18,557	117,705	117,705	-
Southwark Schools for the Future	2,891	2,891	-	2,598	2,598	-	-	-	-	5,489	5,489	-
Environment and Leisure	23,507	20,161	(3,346)	36,888	36,602	(286)	97,725	101,357	3,632	158,120	158,120	-
Housing and Modernisation	12,240	11,912	(328)	18,483	18,796	313	48,050	48,065	15	78,773	78,773	-
Chief Executive's	79,065	69,431	(9,634)	68,559	75,232	6,673	70,712	73,673	2,961	218,336	218,336	-
<b>TOTAL EXPENDITURE</b>	<b>139,152</b>	<b>116,047</b>	<b>(23,105)</b>	<b>193,550</b>	<b>191,490</b>	<b>(2,060)</b>	<b>245,721</b>	<b>270,886</b>	<b>25,165</b>	<b>578,423</b>	<b>578,423</b>	<b>-</b>
<b>FUNDED BY:</b>												
Corporate Resource Pool	23,845	2,008	(21,837)	8,500	30,337	21,837	54,700	54,700	-	87,045	87,045	-
Reserves	433	-	(433)	388	821	433	3,412	3,412	-	4,233	4,233	-
Capital Grants	17,009	11,685	(5,324)	10,898	16,057	5,159	24,653	24,652	(1)	52,560	52,560	-
Section 106 and CIL	7,751	12,150	4,399	8,397	9,345	948	29,075	29,129	54	45,223	45,223	-
External Contributions	788	261	(527)	3,919	4,445	526	-	1	1	4,707	4,707	-
<b>TOTAL RESOURCES</b>	<b>49,826</b>	<b>26,104</b>	<b>(23,722)</b>	<b>32,102</b>	<b>61,005</b>	<b>28,903</b>	<b>111,840</b>	<b>111,894</b>	<b>54</b>	<b>193,768</b>	<b>193,768</b>	<b>-</b>
<b>Financing to be agreed/Borrowing</b>	<b>89,326</b>	<b>89,943</b>	<b>617</b>	<b>161,448</b>	<b>130,485</b>	<b>(30,963)</b>	<b>133,881</b>	<b>158,992</b>	<b>25,111</b>	<b>384,655</b>	<b>384,655</b>	<b>-</b>

Project description	2020/21				2021/22			2022/23			2023/24+			Total Programme 2020/21-29/30			
	Revised Budget	Outturn	Forecast	Variance	Revised Budget	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	£'000	£'000	£'000	
<b>Warm Dry and Safe</b>																	
Warm Dry and Safe	108	1,486	1,486	1,379	2,694	1,825	(869)	1,306	796	(510)	-	-	-	4,107	4,107	-	
	108	1,486	1,486	1,379	2,694	1,825	(869)	1,306	796	(510)	-	-	-	4,107	4,107	-	
<b>Special Schemes/HINE</b>																	
Chilton Grove Wall - Decent Homes	1,074	333	333	(741)	618	769	151	-	589	589	-	-	-	1,692	1,692	-	
Tustin	7,204	4,958	4,958	(2,246)	803	3,049	2,246	-	-	-	-	-	-	8,007	8,007	-	
Portland	13	13	13	-	-	-	-	-	-	-	-	-	-	13	13	-	
Damory/Thaxted externals	-	5	5	5	1,432	1,427	(5)	-	-	-	-	-	-	1,432	1,432	-	
Maydew	505	750	750	245	11,679	11,434	(245)	-	-	-	-	-	-	12,184	12,184	-	
Lakanal House	0	12	12	12	51	39	(12)	-	-	-	-	-	-	51	51	-	
Ledbury Refurbishment	217	627	627	410	213	-	(213)	-	-	-	-	-	-	430	627	197	
	9,014	6,699	6,699	(2,314)	14,796	16,719	1,922	-	589	589	-	-	-	23,810	24,007	197	
<b>Asset management Strategy ( Inc. Kitchens &amp; Bathrooms &amp; LD2)</b>																	
Asset Management Strategy 2021+Future years (QHIP)	35,154	51,717	51,717	16,563	180,471	122,028	(58,443)	80,678	131,205	50,527	366,614	357,967	(8,647)	662,916	662,916	-	
Installation of LD2	865	41	41	(824)	2,494	2,000	(494)	2,000	2,000	-	13,830	15,148	1,318	19,189	19,189	-	
FRA Contingency Budgets	560	-	-	(560)	1,420	1,188	(232)	-	792	792	-	-	-	1,980	1,980	-	
	36,578	51,757	51,757	15,179	184,386	125,216	(59,170)	82,678	133,997	51,319	380,443	373,114	(7,329)	684,085	684,085	-	
<b>Type 4 Fire Risk Assessment</b>																	
Type 4 Fire Risk Assessment	587	831	831	245	2,774	2,866	92	3,810	7,363	3,553	20,814	16,924	(3,890)	27,985	27,985	-	
	587	831	831	245	2,774	2,866	92	3,810	7,363	3,553	20,814	16,924	(3,890)	27,985	27,985	-	
<b>HEAT NETWORK STRATEGY</b>																	
Heat Network Strategy (including SELCHP Expansion)	-	61	61	61	10,000	11,849	1,849	15,000	15,222	222	275,000	272,868	(2,132)	300,000	300,000	-	
Consort, Newington and Wyndham District Heating Heat Pum	3,138	5,416	5,416	2,278	4,798	2,520	(2,278)	-	-	-	-	-	-	7,936	7,936	-	
	3,138	5,477	5,477	2,339	14,798	14,369	(429)	15,000	15,222	222	275,000	272,868	(2,132)	307,936	307,936	-	
<b>Regeneration</b>																	
Aylesbury Estate regeneration	8,280	10,405	10,405	2,125	2,125	-	(2,125)	-	-	-	-	-	-	10,405	10,405	-	
East Dulwich Estate	1,420	1,332	1,332	(88)	594	682	88	-	-	-	-	-	-	2,014	2,014	-	
Elmington Estate	155	-	-	(155)	-	155	155	-	-	-	-	-	-	155	155	-	
Heygate Estate	162	100	100	(62)	-	62	62	-	-	-	-	-	-	162	162	-	
Wooddene - Acorn Plant Reprovision	27	-	-	(27)	-	27	27	-	-	-	-	-	-	27	27	-	
Regeneration Commercial properties	84	60	60	(25)	-	25	25	-	-	-	-	-	-	84	84	-	
Tustin Low Rise works	302	291	291	(10)	-	10	10	-	-	-	-	-	-	302	302	-	
	10,430	12,188	12,188	1,758	2,719	961	(1,758)	-	-	-	-	-	-	13,150	13,150	-	
<b>New Builds</b>																	
Hostels new build	-	-	-	-	-	12	12	-	-	-	-	-	-	-	12	12	-
Hidden Homes	2,937	3,256	3,256	319	1,721	1,401	(319)	206	206	-	52	52	-	4,915	4,915	-	
Regeneration and Development	14,323	14,323	14,323	-	81,875	81,875	-	107,328	107,328	-	41,744	41,744	-	245,269	245,269	-	
Direct Delivery - New Council Homes Phases 1-5	40,128	40,128	40,128	-	135,920	88,724	(47,196)	193,401	203,024	9,623	101,259	141,514	40,255	470,707	473,390	2,683	
Aylesbury FDS New Build Packages A & B	65,872	65,872	65,872	-	51,165	51,165	-	37,769	37,769	-	40,707	40,707	-	195,513	195,513	-	
	123,260	123,579	123,579	319	270,679	223,176	(47,503)	338,704	348,327	9,623	183,761	224,016	40,255	916,404	919,099	2,695	
<b>Acquisitions</b>																	
Acquisitions & S106 properties	1,500	8,491	8,491	6,991	83,412	51,938	(31,474)	16,779	16,779	-	38,068	62,551	24,483	139,759	139,759	-	
Ledbury Acquisitions	500	272	272	(228)	6,227	6,455	228	-	-	-	-	-	-	6,727	6,727	-	
	2,000	8,763	8,763	6,763	89,639	58,393	(31,246)	16,779	16,779	-	38,068	62,551	24,483	146,486	146,486	-	
<b>Other programmes</b>																	
Adaptations	629	1,158	1,158	528	2,171	1,600	(571)	1,600	1,600	-	10,000	10,042	42	14,400	14,400	-	
Cash incentive & Home owner buy back scheme	111	369	369	259	311	515	204	211	115	(96)	366	-	(366)	999	999	-	
Disposals costs	210	532	532	323	590	400	(190)	400	400	-	690	558	(132)	1,890	1,890	-	
Hostels accommodation	217	319	319	102	197	95	(102)	-	-	-	-	-	-	413	414	-	
Major voids	236	-	-	(236)	517	455	(62)	-	298	298	-	-	-	753	753	-	
Security	67	119	119	52	201	103	(98)	-	46	46	-	-	-	268	268	-	
T&RA halls	84	5	5	(79)	1,606	1,685	79	-	-	-	-	-	-	1,690	1,690	-	
Other Installation of Sprinkler & smoke detection	20	8	8	(12)	18	30	12	-	-	-	-	-	-	39	39	-	
WDS Leathermarket JMB	2,750	2,000	2,000	(750)	5,750	3,350	(2,400)	-	3,150	3,150	-	-	-	8,500	8,500	-	
Aylesbury Fire Remedial works	315	88	88	(227)	3,135	3,362	227	-	-	-	-	-	-	3,450	3,450	-	

	4,638	4,599	4,599	(39)	14,497	11,595	(2,902)	2,211	5,609	3,398	11,056	10,600	(456)	32,402	32,402	-
	189,753	215,381	215,381	25,628	596,982	455,120	(141,862)	460,487	528,682	68,195	909,142	960,074	50,932	2,156,365	2,159,257	2,892
<b>FINANCED BY:</b>																
Capital Receipts b/fwd	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital receipts Leather Market Self financing	2,750	2,000	2,000	(750)	5,750	3,350	(2,400)	-	3,150	3,150	-	-	-	8,500	8,500	-
Capital Receipts	4,622	4,622	4,622	-	49,756	49,756	-	1,000	1,000	-	22,700	22,700	-	78,078	78,078	-
Additional New Build Receipts-SRPP	-	-	-	-	22,107	22,107	-	19,475	19,475	-	22,568	22,568	-	64,151	64,151	-
RTB Receipts - Restricted to New Build ( incl buybacks)	2,837	6,282	6,282	3,444	27,103	22,864	(4,239)	32,703	35,503	2,800	34,241	32,236	(2,005)	96,883	96,883	-
Major Repairs Reserves	38,212	52,726	52,726	14,514	67,086	51,000	(16,086)	51,000	51,000	-	355,428	357,000	1,572	511,726	511,726	-
Revenue Contribution	17,691	20,640	20,640	2,949	23,694	20,745	(2,949)	20,745	20,745	-	133,539	133,539	-	195,668	195,668	-
Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
New Homes Grant	12,249	33,248	33,248	20,999	70,710	48,582	(22,128)	37,960	33,054	(4,906)	25,162	31,197	6,035	146,082	146,082	-
Other Grants-External Contribution	385	258	258	(127)	1,095	772	(323)	5,760	6,210	450	5,760	5,760	-	13,000	13,000	-
Section 106 Funds	33,411	39,520	39,520	6,109	19,386	10,000	(9,386)	10,000	10,000	0	24,780	28,057	3,277	87,577	87,577	-
Borrowing - New Build	55,099	55,099	55,099	-	135,385	135,385	-	249,096	249,096	-	122,134	122,134	-	561,713	561,713	-
Borrowing - Acquisitions and site assembly	988	988	988	-	41,803	41,803	-	11,499	11,499	-	44,596	44,596	-	98,885	98,885	-
Borrowing - Heat Network	-	-	-	-	13,936	14,369	433	15,000	15,222	222	160,942	160,288	(654)	189,878	189,878	-
<b>TOTAL RESOURCES</b>	<b>168,243</b>	<b>215,381</b>	<b>215,381</b>	<b>47,138</b>	<b>477,810</b>	<b>420,732</b>	<b>(57,078)</b>	<b>454,238</b>	<b>455,953</b>	<b>1,715</b>	<b>951,849</b>	<b>960,074</b>	<b>8,225</b>	<b>2,052,140</b>	<b>2,052,140</b>	<b>-</b>
<b>Forecast variation (under)/over</b>	<b>21,510</b>	<b>0</b>	<b>0</b>		<b>119,173</b>	<b>34,388</b>		<b>6,249</b>	<b>72,729</b>		<b>(42,707)</b>	<b>0</b>		<b>104,225</b>	<b>107,117</b>	



Appendix C - Budget virements and variations 2020/21 outturn monitor										
Project Name	Children's	Adult Social Care	Children's and Adults' Services	Southwark Schools for the Future	Environment and Leisure	Housing and Modernisation	Chief Executive's	General Fund Programme Total	Housing Investment Programme	Total Programmed Expenditure
	£	£	£	£	£	£	£	£	£	£
<b>CURRENT PROGRAMME AT MONTH 8 2020-21</b>	84,503,990	32,947,378	117,451,368	5,489,177	132,103,138	78,645,905	241,018,066	574,707,654	2,093,902,747	2,668,610,401
<b>OUTTURN VIREMENTS TO BE APPROVED</b>										
<b>Environment and Leisure</b>										
Peckham Ward					(15,000)			(15,000)		(15,000)
Nunhead & Peckham Rye - CGS					15,000			15,000		15,000
Newington Gardens					48,352			48,352		48,352
Peckham Pulse Option 1 & 2					1,500			1,500		1,500
OLF SSG Disability Multi-Sports Court					(1,500)			(1,500)		(1,500)
Monuments & Memorials in the Public Realm					27,648			27,648		27,648
Structures Capital Programme					(27,648)			(27,648)		(27,648)
Climate Emergency					25,000,000			25,000,000		25,000,000
Enid Street Play Area					49,744			49,744		49,744
OLF SSG Disability Multi-Sports Court					(342,000)			(342,000)		(342,000)
OLF Southwark Athletics Centre					342,000			342,000		342,000
Bevington Street					55,755			55,755		55,755
Community Playspaces					669,693			669,693		669,693
								-		-
<b>Chief Executive's</b>										
Enid Street Play Area							(49,744)	(49,744)		(49,744)
Bevington Street							(55,755)	(55,755)		(55,755)
Community Playspaces							(669,693)	(669,693)		(669,693)
Grove Lane Pocket Place							53,465	53,465		53,465
Lordship Lane Traffic							(46,940)	(46,940)		(46,940)
Demonstrator Zones							(34,100)	(34,100)		(34,100)
Deliver Walking Network							19,108	19,108		19,108
Test & Evaluate MP Schemes							(921)	(921)		(921)
Calm Street/Decluttered							200	200		200
South Bermondsey Liveable N'Hood							(8,585)	(8,585)		(8,585)
RMP 87 Dog Kennel Hill							(1,781)	(1,781)		(1,781)
RMP 1103 College Road							(2,486)	(2,486)		(2,486)
Dunston Road							(275)	(275)		(275)
Cornwall Rd (Q1) - Blackfriars Rd (Q14) - Construction							7,038	7,038		7,038
Southwark Bridge Rd (CS7) - Southwark Bridge - Design							6,992	6,992		6,992
Q7 Risk Drawdown- Dulwich Village Improvements							(10,000)	(10,000)		(10,000)
Q7 Dulwich Village Junction Alterations							(1,124)	(1,124)		(1,124)
QBC Rolls Road							477,985	477,985		477,985
QBC Surrey linear Canal Path							(127,548)	(127,548)		(127,548)
QBC Neate Street							(55,000)	(55,000)		(55,000)
QBC Trafalgar Avenue							(244,000)	(244,000)		(244,000)
QBC Sumner Road/Willowbrook Road junction							(31,852)	(31,852)		(31,852)
QBC Sumner Road							(60,000)	(60,000)		(60,000)
QBC Jocelyn Street							(5,000)	(5,000)		(5,000)
QBC Design & PM							(3,841)	(3,841)		(3,841)
QCWD Off-highway next to Swan Road							41,029	41,029		41,029
QPS Design & PM							21,013	21,013		21,013
QPS Risk Drawdown- Barry Road area improvements							(10,000)	(10,000)		(10,000)

Project Name	Children's	Adult Social Care	Children's and Adults' Services	Southwark Schools for the Future	Environment and Leisure	Housing and Modernisation	Chief Executive's	General Fund Programme Total	Housing Investment Programme	Total Programmed Expenditure
Q14 SC Wayfinding							21,744	21,744		21,744
Q7 Rodney Road							(2,400)	(2,400)		(2,400)
Q7 Dog Kennel Hill							1,400	1,400		1,400
Q7 Champion Hill Monitoring							(4,000)	(4,000)		(4,000)
Emergency Active Travel Fund							(121)	(121)		(121)
Lower Road							(199,367)	(199,367)		(199,367)
Tower Bridge Road							124,457	124,457		124,457
New Nunhead Communit							96,246	96,246		96,246
Holyrood Street							74,910	74,910		74,910
East Street							(947)	(947)		(947)
Peckham							947	947		947
Spa School Professional fees							(22,577)	(22,577)		(22,577)
Spa School Works							147,354	147,354		147,354
Voluntary Sector Strategy							(112,836)	(112,836)		(112,836)
709 Old Kent Road							(5,100)	(5,100)		(5,100)
Strategic Property Purchase							(7,635)	(7,635)		(7,635)
711 – 717 Old Kent R							5,100	5,100		5,100
760 Old Kent Road							(117,142)	(117,142)		(117,142)
Void Shops & Council							(176,062)	(176,062)		(176,062)
Void Shops & Council Owned Parade							192,652	192,652		192,652
Climate Emergency							(25,000,000)	(25,000,000)		(25,000,000)
Newington Gardens							(48,352)	(48,352)		(48,352)
<b>HRA</b>										
Asset Management Strategy (QHIP)									327,233	327,233
Installation of LD2									(327,233)	(327,233)
Regeneration and Development									20,348,323	20,348,323
Direct Delivery - New Council Homes Phases 1-5									(20,076,903)	(20,076,903)
Aylesbury FDS New Build Packages A & B									193,000,000	193,000,000
Acquisitions and Site Assembly for New Council Homes									(193,271,420)	(193,271,420)
										-
<b>TOTAL VIREMENTS TO BE APPROVED AT OUTTURN</b>	-	-	-	-	25,823,544	-	(25,823,544)	-	-	-
<b>OUTTURN - VARIATIONS TO BE APPROVED</b>										
<b>Children's</b>										
St Josephs CIL	57,415		57,415					57,415		57,415
Foster Carers Homes	206,190		206,190					206,190		206,190
<b>Adult Social Care</b>										
OP Hub and Day Centre		(918)	(918)					(918)		(918)
OP Southwark Resource Centre		(8,640)	(8,640)					(8,640)		(8,640)
										-
<b>Environment and Leisure</b>										
Dulwich CGS					10,200			10,200		10,200
Flood Prevention ( Highways Drainage Gully Replacement) Programme					150,000			150,000		150,000
Grove Vale Library					32,981			32,981		32,981
Grove Vale Library					(30,300)			(30,300)		(30,300)
S106 Astley & Coopers Ball Court					(212)			(212)		(212)
										-
<b>Housing and Modernisation</b>										
Ilderton Rd East						126,649		126,649		126,649
										-
<b>Chief Executive's</b>										

Project Name	Children's	Adult Social Care	Children's and Adults' Services	Southwark Schools for the Future	Environment and Leisure	Housing and Modernisation	Chief Executive's	General Fund Programme Total	Housing Investment Programme	Total Programmed Expenditure
Cycle Hire Expansion							1,000,443	1,000,443		1,000,443
231 Old Kent Road							40,623	40,623		40,623
Kentish Drover Ceram							16,929	16,929		16,929
Peckham Townscape He							9,188	9,188		9,188
Peckham Townscape He							182,161	182,161		182,161
Grove Lane Pocket Place							(52,077)	(52,077)		(52,077)
Lordship Lane Traffic							(130,175)	(130,175)		(130,175)
Rotherhithe to Peckham Cycle Connection							123,987	123,987		123,987
Modal Filters							100,000	100,000		100,000
LTN Southwark Bridge							150,000	150,000		150,000
Healthy Neighbourhood							150,000	150,000		150,000
Local Environment Improvements							150,000	150,000		150,000
Cycle Parking							105,000	105,000		105,000
Public Transport Access Improvements							50,000	50,000		50,000
Movement Plan, Test and Evaluate							60,000	60,000		60,000
Local Transport Funding							50,000	50,000		50,000
Denmark Hill/Champion Park							45,000	45,000		45,000
Peckham Rye Btwn Nunhead Lane & Nigel Rd							25,000	25,000		25,000
Dunstan Road j/w Setchell Rd.							10,000	10,000		10,000
Blackfriars LTN							283,000	283,000		283,000
Canada Water acquisition							70,003	70,003		70,003
Canada Water fitout							5,003	5,003		5,003
Holyrood Street							297,082	297,082		297,082
Walworth PSiCA							400,000	400,000		400,000
<b>HRA</b>										
Aylesbury Estate Regeneration									4,247,304	4,247,304
Hidden Homes									(768,198)	(768,198)
Regeneration and Development ( Braganza & Manor Place/ Wyndham CC)									43,604,789	43,604,789
Direct Delivery - New Council Homes Phases 1-5									12,865,050	12,865,050
Aylesbury FDS - New Build Packages A & B									2,512,875	2,512,875
<b>TOTAL VARIATIONS TO BE APPROVED AT OUTTURN</b>	263,605	(9,558)	254,047	-	162,669	126,649	3,141,167	3,684,532	62,461,820	66,146,352
<b>TOTAL PROGRAMME BUDGET VIREMENTS &amp; VARIATIONS AT OUTTURN 2020/21</b>	263,605	(9,558)	254,047	-	25,986,213	126,649	(22,682,377)	3,684,532	62,461,820	66,146,352
<b>REVISED BUDGETS</b>	84,767,595	32,937,820	117,705,415	5,489,177	158,089,351	78,772,554	218,335,689	578,392,186	2,156,364,567	2,734,756,753
<b>VIREMENTS &amp; VARIATIONS REQUESTED TO BE APPROVED FINANCED BY:</b>										
<b>Corporate Resources / Capital Receipt</b>	206,190	(9,558)	196,632	-	25,097,257	126,649	(24,934,077)	486,461	34,208,982	34,695,443
<b>Major Repairs Allowance</b>			-		-			-	-	-
<b>Reserves</b>			-		-			-	-	-
<b>Revenue</b>			-		-			-	4,247,304	4,247,304
<b>Capital Grant</b>	57,415		-		150,000	-	1,825,091	1,975,091	2,284,000	4,259,091
<b>Section 106 and CIL</b>	-		57,415		728,756	-	362,008	1,148,179	4,178,177	5,326,356
<b>External Contribution</b>	-		-		10,200	-	64,600	74,800	5,080,000	5,154,800
<b>Supported Borrowing</b>	-		-		-	-	-	-	12,463,357	12,463,357
<b>TOTAL RESOURCES</b>	263,605	(9,558)	254,047	-	25,986,213	126,649	(22,682,378)	3,684,531	62,461,820	66,146,351

Appendix D - General fund capital programme 2020/21 detail outturn report

Capital Programme 2020/21-2029/30 Description of Programme / Project	2020/21				2021/22			2022/23+			Total Programme 2020/21-2029/30		
	Revised Budget	Spend to date	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	£'000
<b>Environment and Leisure</b>													
Cleaner Greener Safer	994	1,255	1,255	262	3,306	3,044	(262)	15,086	15,086	0	19,386	19,386	0
Cycle Superhighway 4 Project	200	91	91	(109)	1,100	500	(600)	1,700	2,409	709	3,000	3,000	0
Southwark School Streets	218	231	231	13	1,287	600	(687)	1,420	2,094	674	2,925	2,925	0
Cycle Hangers	280	91	91	(189)	520	500	(20)	0	209	209	800	800	0
Other PR Projects	2,140	1,701	1,701	(439)	3,730	2,637	(1,093)	1,146	2,678	1,532	7,015	7,015	0
StreetCare	7,313	7,383	7,383	69	6,706	6,179	(526)	36,497	36,954	457	50,516	50,516	0
Air Quality	250	200	200	(50)	250	300	50	0	0	0	500	500	0
Air Quality Action Plan & Climate Emergency Delivery P	293	0	0	(293)	812	1,105	293	15	15	0	1,120	1,120	0
Regulatory Services	234	230	230	(4)	41	45	4	0	0	0	275	275	0
Carbon Reduction Investment	1,100	0	0	(1,100)	550	1,650	1,100	538	538	0	2,188	2,188	0
Climate Emergency	0	0	0	0	2,500	2,500	0	22,500	22,500	0	25,000	25,000	0
Street Metal Works	750	410	410	(340)	2,677	3,017	340	1,450	1,450	0	4,877	4,877	0
Walworth Library & Heritage Centre	3,813	3,145	3,145	(668)	0	668	668	0	0	0	3,813	3,813	0
Youth Services	0	0	0	0	334	334	0	666	666	0	1,000	1,000	0
Culture	411	225	225	(186)	67	253	186	0	0	0	478	478	0
Cemetery Burial Strategy	1,140	913	913	(227)	673	813	141	534	621	86	2,347	2,347	0
Nunhead Cemetery Wall Repair	0	0	0	0	700	700	0	300	300	0	1,000	1,000	0
East Lodge Nunhead Cemetery	25	586	586	561	1,565	1,049	(516)	410	365	(45)	2,000	2,000	0
Drinking Water Fountains throughout Southwark	0	0	0	0	80	80	0	120	120	0	200	200	0
Adventure Playground	10	0	0	(10)	540	550	10	1,950	1,950	0	2,500	2,500	0
Tree Planting	750	575	575	(175)	1,017	1,192	175	3,400	3,400	0	5,167	5,167	0
Parks	1,453	1,309	1,309	(144)	4,931	5,065	134	6,787	6,797	10	13,171	13,171	0
South Dock Marina	1,033	766	766	(267)	296	563	267	0	0	0	1,329	1,329	0
Active Southwark Community Investment Fund	0	0	0	0	600	600	0	2,400	2,400	0	3,000	3,000	0
Leisure	1,100	1,050	1,050	(50)	2,608	2,658	50	806	806	0	4,513	4,513	0
<b>Environment and Leisure Total</b>	<b>23,507</b>	<b>20,161</b>	<b>20,161</b>	<b>(3,346)</b>	<b>36,888</b>	<b>36,602</b>	<b>(286)</b>	<b>97,725</b>	<b>101,357</b>	<b>3,632</b>	<b>158,120</b>	<b>158,120</b>	<b>0</b>
<b>Chief Executive's</b>													
Planning	487	400	400	(88)	0	88	88	0	0	0	487	487	0
Transport Policy & Planning	5,709	4,578	4,578	(1,131)	500	1,631	1,131	400	400	0	6,609	6,609	0
Walworth Town Hall	2,350	468	468	(1,882)	750	2,632	1,882	0	0	0	3,100	3,100	0
Canada Water Leisure Centre	500	603	603	103	8,542	8,439	(103)	23,975	23,975	0	33,016	33,016	0
Canada Water Strategic Acquisitions	3,170	3,170	3,170	0	0	0	0	0	0	0	3,170	3,170	0
Canada Water Development Costs	5,219	5,219	5,219	0	0	0	0	0	0	0	5,219	5,219	0
Blue Market Regeneration Programme	867	402	402	(466)	867	1,333	466	0	0	0	1,735	1,735	0
Revitalising the Blue	100	0	0	(100)	1,650	1,750	100	250	250	0	2,000	2,000	0
Southwark Play House	350	350	350	0	0	0	0	0	0	0	350	350	0
Riverside Walk	50	13	13	(37)	1,350	1,387	37	100	100	0	1,500	1,500	0
Regeneration North	1,579	755	755	(823)	4,420	5,243	823	69	69	0	6,067	6,067	0
Revitalising Camberwell	0	0	0	0	2,095	2,095	0	0	0	0	2,095	2,095	0
Peckham Rye Station Redevelopment	10,797	8,495	8,495	(2,302)	7,054	9,356	2,302	6,871	6,871	0	24,723	24,723	0
The Old Vic	0	0	0	0	3,736	1,000	(2,736)	0	2,736	2,736	3,736	3,736	0
Aylesbury - Plot 18	10,514	9,272	9,272	(1,243)	17,817	19,060	1,243	3,500	3,500	0	31,831	31,831	0
Regeneration South	822	272	272	(551)	2,030	2,580	551	100	100	0	2,952	2,952	0
21-23 Parkhouse Street	50	0	0	(50)	1,625	1,675	50	1,731	1,731	0	3,406	3,406	0
Peckham Library Square	100	21	21	(79)	700	554	(146)	5,800	6,025	225	6,600	6,600	0
Regeneration Capital	789	724	724	(65)	45	109	65	0	0	0	833	833	0
Strategic Acquisitions	7,806	7,138	7,138	(669)	10,000	10,669	669	0	0	0	17,806	17,806	0

Appendix D - General fund capital programme 2020/21 detail outturn report

Capital Programme 2020/21-2029/30 Description of Programme / Project	2020/21				2021/22			2022/23+			Total Programme 2020/21-2029/30		
	Revised Budget	Spend to date	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	£'000
760 Old Kent Road	21,483	21,483	21,483	0	0	0	0	0	0	0	21,483	21,483	0
Property Services	1,322	1,070	1,070	(253)	577	830	253	0	0	0	1,899	1,899	0
Elephant & Castle Regeneration	5,000	5,000	5,000	0	4,800	4,800	0	27,916	27,916	0	37,716	37,716	0
Climate Emergency	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Chief Executive's Total</b>	<b>79,065</b>	<b>69,431</b>	<b>69,431</b>	<b>(9,634)</b>	<b>68,559</b>	<b>75,232</b>	<b>6,673</b>	<b>70,712</b>	<b>73,673</b>	<b>2,961</b>	<b>218,336</b>	<b>218,336</b>	<b>0</b>
<b>Children's and Adults' Services</b>													
Centre of Excellence	39	39	39	0	0	0	0	0	0	0	39	39	0
Adult PSS Capital Allocations	624	0	0	(624)	2,000	500	(1,500)	2,661	4,785	2,124	5,285	5,285	0
Telecare expansion	0	0	0	0	143	143	0	0	0	0	143	143	0
Southwark Resource Centre	191	191	191	0	0	0	0	0	0	0	191	191	0
Lifecycle capital prog- Anchor homes	1,148	727	727	(421)	2,858	2,867	9	2,153	2,565	412	6,159	6,159	(0)
Lifecycle capital prog- ASC properties	600	216	216	(384)	1,400	606	(794)	8,520	9,699	1,178	10,520	10,520	0
Mosaic Management Information Development	0	0	0	0	600	600	0	0	0	0	600	600	0
Bed Based Care	0	0	0	0	10,000	5,000	(5,000)	0	5,000	5,000	10,000	10,000	0
2019/20 Primary Schools refurbishment programme	412	117	117	(295)	1,800	2,095	295	0	0	0	2,212	2,212	(0)
Primary Schools refurbishment programme 2020/21	3,329	2,808	2,808	(521)	167	687	521	(0)	(0)	0	3,496	3,496	0
Primary Schools refurbishment programme 2021/22	0	0	0	0	3,500	3,500	0	0	0	0	3,500	3,500	0
2018/19 Primary Schools refurbishment programme	0	0	0	0	1,584	1,584	0	0	0	0	1,584	1,584	0
Autism Spectrum	0	0	0	0	900	0	(900)	0	900	900	900	900	0
Beormund Primary School Redevelopment	1,000	4	4	(996)	10,615	3,222	(7,393)	0	8,389	8,389	11,615	11,615	0
Healthy Pupils Programme	98	0	0	(98)	0	98	98	0	0	0	98	98	0
Ilderton School	172	2	2	(169)	0	169	169	0	0	0	172	172	0
LSBU Passmore	0	0	0	0	250	250	0	0	0	0	250	250	0
Nursery Buildings	0	0	0	0	19	19	0	0	0	0	19	19	0
Permanent Expansion	6,578	2,872	2,872	(3,706)	10,515	15,121	4,606	1,400	500	(900)	18,493	18,493	0
Primary Schools refurbishment programme	0	0	0	0	0	0	0	14,000	14,000	0	14,000	14,000	0
Riverside Primary School	500	74	74	(426)	2,500	2,926	426	500	500	0	3,500	3,500	0
St Josephs CIL	57	57	57	0	0	0	0	0	0	0	57	57	0
Retention	0	0	0	0	78	78	0	0	0	0	78	78	0
Rotherhithe Primary School Expansion	5,000	3,547	3,547	(1,453)	13,723	13,723	0	0	1,453	1,453	18,723	18,723	0
SEND and disabilities development	1,038	443	443	(595)	1,170	1,765	595	(0)	0	0	2,208	2,208	0
Southwark Inclusive Learning Service KS4	0	0	0	0	3,200	3,200	0	0	0	0	3,200	3,200	0
Troubled Families	438	438	438	0	0	0	0	0	0	0	438	438	0
Classrooms	226	116	116	(110)	0	110	110	0	0	0	226	226	0
<b>Children's and Adults' Services Total</b>	<b>21,449</b>	<b>11,652</b>	<b>11,652</b>	<b>(9,797)</b>	<b>67,022</b>	<b>58,262</b>	<b>(8,759)</b>	<b>29,234</b>	<b>47,791</b>	<b>18,557</b>	<b>117,705</b>	<b>117,705</b>	<b>0</b>
<b>Southwark Schools for the Future</b>													
KS3 SILS	2,891	2,892	2,891	0	198	198	0	0	0	0	3,089	3,089	0
ICT	0	0	0	0	45	45	0	0	0	0	45	45	0
Contingency and retention payments	0	0	0	0	2,355	2,355	0	0	0	0	2,355	2,355	0
<b>Southwark Schools for the Future Total</b>	<b>2,891</b>	<b>2,892</b>	<b>2,891</b>	<b>0</b>	<b>2,598</b>	<b>2,598</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,489</b>	<b>5,489</b>	<b>0</b>
<b>Housing and Modernisation</b>													

Appendix D - General fund capital programme 2020/21 detail outturn report

Capital Programme 2020/21-2029/30	2020/21				2021/22			2022/23+			Total Programme 2020/21-2029/30		
Description of Programme / Project	Revised Budget	Spend to date	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	£'000
Housing Renewal	1,281	1,022	1,022	(259)	2,157	2,445	289	17,065	17,036	(29)	20,503	20,503	0
Gypsy and Travellers Site Fire Safety Reconfiguration	409	389	389	(19)	165	184	19	0	0	0	574	574	(0)
IT Investment Schemes	1,134	1,949	1,949	815	6,826	6,011	(815)	8,410	8,410	(0)	16,370	16,370	0
Modern Ways of Working	14	22	22	9	138	138	0	743	734	(9)	894	894	0
Smart Working Programme	5,775	5,029	5,029	(747)	2,464	3,237	773	396	369	(26)	8,635	8,635	(0)
Operational Buildings Life Cycle Investment	2,907	3,090	3,090	183	6,254	6,254	0	12,798	12,614	(183)	21,958	21,958	0
PPM & Compliance Programme (CRP)	320	58	58	(262)	480	480	0	8,639	8,901	262	9,439	9,439	0
Queens Road 4	400	353	353	(47)	0	47	47	0	0	0	400	400	0
<b>Housing and Modernisation Total</b>	<b>12,240</b>	<b>11,912</b>	<b>11,912</b>	<b>(328)</b>	<b>18,483</b>	<b>18,796</b>	<b>314</b>	<b>48,050</b>	<b>48,064</b>	<b>14</b>	<b>78,773</b>	<b>78,773</b>	<b>(0)</b>
<b>Capital Programme 2019/20-2028/29</b>	<b>Total General Fund Programme</b>												
	2020/21				2021/22			2022/23+			Total Programme 2020/21-2029/30		
	Revised Budget	Spend to date	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	£'000
<b>Total Expenditure</b>	<b>139,152</b>	<b>116,047</b>	<b>116,047</b>	<b>(23,105)</b>	<b>193,549</b>	<b>191,490</b>	<b>(2,059)</b>	<b>245,721</b>	<b>270,885</b>	<b>25,164</b>	<b>578,422</b>	<b>578,422</b>	<b>0</b>
<b>Total Resources</b>	<b>49,826</b>	<b>0</b>	<b>20,869</b>	<b>(28,957)</b>	<b>32,102</b>	<b>61,005</b>	<b>28,903</b>	<b>111,840</b>	<b>111,894</b>	<b>54</b>	<b>193,768</b>	<b>193,768</b>	<b>0</b>
<b>Forecast variation (under)/over</b>	<b>89,326</b>	<b>116,047</b>	<b>95,178</b>	<b>5,852</b>	<b>161,447</b>	<b>130,485</b>	<b>(30,962)</b>	<b>133,881</b>	<b>158,991</b>	<b>25,110</b>	<b>384,654</b>	<b>384,654</b>	<b>0</b>
<b>Cumulative position</b>					<b>250,773</b>	<b>225,663</b>	<b>(25,110)</b>	<b>384,654</b>	<b>384,654</b>	<b>0</b>	<b>384,654</b>	<b>384,654</b>	<b>0</b>

<b>Item No.</b> 11.	<b>Classification:</b> Open	<b>Date:</b> 15 June 2021	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Acquisition of Catlin Street, SE16 – Strategic Investment / site acquisition	
<b>Ward:</b>		Old Kent Road/ Livesey	
<b>Cabinet Member:</b>		Councillor Helen Dennis, Climate Emergency and Sustainable Development	

### **FOREWORD – COUNCILLOR HELEN DENNIS, CABINET MEMBER FOR THE CLIMATE EMERGENCY AND SUSTAINABLE DEVELOPMENT**

The acquisition of the stables at Catlin Street enables the council to safeguard the preservation of these Historic Heritage Assets whilst making them productive and useful work spaces for local businesses and start-ups. The purchase of the Stables land allows vehicular access to the council's landlocked adjoining land to the North which together with the Stable land can be used to provide some 50 to 60 residential flats over commercial business space as proposed in the Old Kent Road Area Action Plan. This will enable the opening up of the rest of the councils land as accessible public space that without the purchase of the stables land would not be possible.

The purchase, which is being funded through the general fund from resources already identified for such purposes, will provide revenue from the commercial space and converted stables to support council services in these very challenging times and with the combined sites being able to accommodate between 50 to 60 flats, assisting the council in meeting its target to build 11,000 new council homes.

### **RECOMMENDATIONS**

That Cabinet:

1. Authorises pursuant to s227 of the Town and Country Planning Act 1990, that the council acquires the freehold interest in the property known as the Old Stables Catlin Street SE16 shown edged black on the plan at Appendix A ("the Property").
2. Authorises the principal purchase terms set out in full in paragraph 20 of the closed version of this report.
3. Delegates to the Director of Planning & Growth authority to agree the detailed terms of the acquisition.

## **BACKGROUND INFORMATION**

4. The council is the freeholder of land at the rear of the Forge and the Old Stables, Catlin Street and St James Road, London, SE16. The three sites are in separate ownerships and comprise of an old stable block of 20 stables (shown edged in black on the plan), an adjacent Industrial forge building (shown cross hatched on the plan) and the councils land to the rear (shown hatched on the plan) used by the stables.
5. The combined sites are identified in the Old Kent Road AAP as having the potential to deliver a mixed use scheme of 60-100 residential units, commercial space to the ground floor, for the heritage assets to be retained and refurbished and for the remaining open space to be made publically accessible and improved.
6. Discussions have been held with the adjacent owners over a number of years and they have also investigated options to deliver a development with private developers.
7. The Stable blocks and the Forge are the subject of an Article 4 Direction approved by cabinet to preserve these historic buildings and protect them from demolition. The acquisition of the stables by the council is an important step in ensuring this heritage asset is preserved.
8. The council site is currently designated as open space but due to its use by the Stables and the lack of access it has never been available for use by local residents.

## **KEY ISSUES FOR CONSIDERATION**

9. The opportunity to purchase the Property allows the council subject to planning to unlock the wider site and deliver a mixed use scheme, providing much needed affordable housing, new commercial space by converting the stables, protecting heritage assets in the borough and opening the back land to the public.
10. Negotiations have progressed to a stage where an offer has been provisionally accepted by the owners of the Property (see Closed report for offer details). The council instructed independent valuers who have confirmed that the agreed price represents good value to the council.
11. The acquisition of the Property allows a comprehensive scheme to be brought forward and as LBS would then own both parts of the site a scheme providing 50% affordable housing could be delivered, rather than the normal 35%.
12. The stables could be converted subject to planning into 20 small workshop units to let to small businesses and start-ups in the borough thus ensuring that the buildings remain economically viable and can be maintained in perpetuity.



13. Principal terms for the purchase of the property have been agreed by the vendor and the council and these are set out in the closed report. Inevitably when the contract for the purchase is negotiated there will be items of detail that will also require agreement and it is recommended that the Director of Planning & Growth be delegated authority to agree such matters.

#### **PRINCIPAL PURCHASE TERMS**

14. a) The council pays the consideration set out in the closed version of this report.
- b) On exchange of contracts the council pays a deposit set out in the closed version of this report.
- c) Contracts to be exchanged after the cabinet has approved the purchase subject to the period for call in.
- d) The parties to meet their own costs of the transfer.

#### **COMMENTARY ON PRINCIPAL PURCHASE TERMS**

15. a)-b) Refer to closed version of report.
- c) This is a standard provision
- d) A standard provision.

#### **RATIONALE FOR RECOMMENDATIONS**

16. a) To enhance the council's asset base by acquiring land for residential and commercial development.
- b) To further a commitment within the new Council Plan.
- c) To assist in the long term commitment to providing new homes for persons on the Housing Waiting List.
- d) To take ownership of and preserve the historic stable blocks and to convert them into workshop space which will assist in job creation and funding their repair and maintenance in future.

#### **Community impact statement**

17. The new Council Plan was the subject of extensive community consultation. The recommendations herein further the delivery of the *A Place to Belong* commitment set out in the Plan.
18. The Equality Act 2010 requires the council in the exercise of its functions to have due regard to the need to:

- a) eliminate discrimination;
  - b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
  - c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
19. Relevant protected characteristics for the purposes of the Equality Act are:
- Age
  - Civil partnership
  - Disability
  - Gender reassignment
  - Pregnancy and maternity
  - Race
  - Religion or belief
  - Sex and sexual orientation.
20. In considering the recommendations herein the cabinet must have due regard to the possible effects on them of any groups sharing a protected characteristic in order to discharge its public sector equality duty. This is an ongoing obligation.
21. If the recommendations set out are approved, the council will purchase a heritage asset and preserve this for the benefit of the local community, increase access to public open space and create new homes including ones to be let at council rent levels together with new commercial investment space. Any new homes delivered will greatly improve the quality of life of its residents some of which may have protected characteristics.

### **Financial implications**

22. The acquisition of the property will incur capital expenditure and this is considered in detail in the closed version of the report.
23. As set out in paragraph 9 the property will generate a long term income once the existing stable buildings are converted to workspaces and if the ground floor of any new development is commercial.

24. Submitting the bid for the property and processing the legal documentation necessary to complete the purchase, has and will incur revenue costs but these will be met from existing budgets.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Director of Law & Governance**

25. The report recommends the acquisition of the Property shown edged black on the plan annexed, in order to combine this site with the council's adjoining land and to develop it for housing, with the historic stable block being retained and converted to workspace units which will generate an income for the Council.
26. The council has powers under s227 of the Town and Country Planning Act 1990 to acquire land by agreement. Section 227 says that a council or London Borough may acquire land by agreement for any purpose for which they are authorised to acquire land pursuant to s226.
27. A council is authorised to acquire land pursuant to s226 if the authority thinks that the acquisition will facilitate the carrying out of development, redevelopment or improvement on or in relation to the land, or if it will achieve a purpose in the interests of the proper planning of the area.
28. The proposed acquisition recommended by this report will facilitate the development of the land for housing, and will assist with the proper planning of the area by protecting heritage assets and fulfilling the requirements of the Old Kent Road Area Action Plan. The council therefore has adequate powers under the Town and Country Planning Act 1990 to acquire the Property.
29. The report confirms that authority to agree the detailed terms of the acquisition should be delegated to the Director of Planning and Growth pursuant to part 3 O of the council's constitution.

### **Strategic Director of Finance & Governance**

30. Set out in closed version of the report.

**BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Weblink</b>
Council Plan 2018/9 – 2021/22	<b>Link (please copy and paste into browser):</b> <a href="http://modern.gov.southwark.gov.uk/documents/s78763/Report%20Council%20Plan.pdf">http://modern.gov.southwark.gov.uk/documents/s78763/Report%20Council%20Plan.pdf</a>

**APPENDICES**

<b>Appendix</b>	<b>Title</b>
Appendix A	Plan Catlin Street

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Helen Dennis, Climate Emergency and Sustainable Development	
<b>Lead Officer</b>	Stephen Platts, Director of Planning & Growth	
<b>Report Author</b>	Marcus Mayne, Principal Surveyor: Regeneration South	
<b>Version</b>	Final	
<b>Dated</b>	3 June 2021	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director of Housing & Modernisation	No	No
Director of Law & Governance	Yes	Yes
Strategic Director of Finance & Governance	Yes	In closed version
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>	3 June 2021	

### Appendix A- Catlin Street



<b>Item No.</b> 12.	<b>Classification:</b> Open	<b>Date:</b> 15 June 2021	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Gateway 3 – Variation Decision Extension of contracts for the provision of genito-urinary medicine services at KCH and GSTT	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Evelyn Akoto, Health and Wellbeing	

**FOREWORD – COUNCILLOR EVELYN AKOTO, CABINET MEMBER FOR HEALTH AND WELLBEING**

The sexual and reproductive health of Southwark residents remains a significant priority and a driver of inequality in our local population. Over 8,000 new sexually transmitted infections (STIs) were diagnosed last year and approximately 2,500 residents are estimated to be living with HIV. We are also acutely aware that poor sexual and reproductive health outcomes do not affect all groups equally. The highest rates of new STI diagnoses are found in men who have sex with men, young people, and Black and minority ethnic groups, and there are strong links between deprivation and STIs, teenage conceptions, and abortion. Good sexual and reproductive health is, at its core, good overall health and our services play a critical role in meeting this need.

Since the contracts with local sexual health clinics at King’s College Hospital and Guy’s and St Thomas’ Hospital were last awarded, we have seen continued developments across the sexual health system, and then the COVID-19 pandemic began; we now need to review what service model is the best fit for our residents. However, as our local clinics are also major acute trusts, the COVID-19 pandemic has meant that the necessary development work, co-production, and re-procurement could not take place this year. For this reason, this report requests an extension to the existing contracts with King’s College Hospital and Guy’s and St Thomas’ Hospital for one year, to allow for a comprehensive Programme of Change to take place.

**RECOMMENDATIONS**

1. That the Cabinet:
  - a. approves the extension of the use of the open access pan-London genito-urinary medicine (GUM) contracts that Lambeth Council have with King’s College Hospital NHS Foundation Trust (KCH) and Guy’s and St Thomas’ Hospital Trust (GSTT) for a maximum period of 12 months commencing on 1 April 2022, at an estimated total contract value of £4.304m (£1,404,489 for KCH and £2,900,000 for GSTT), inclusive of a six month break clause; and
  - b. notes that the need for this variation has arisen as a direct consequence of the impact of the COVID-19 pandemic on the procurement process

and planned re-commissioning schedule for these contracts while the providers (local major acute trusts) are involved in responding to the ongoing emergency.

## **BACKGROUND INFORMATION**

2. The Health and Social Care Act 2012 transferred, with effect from 1 April 2013, substantial duties to local authorities to improve the health and wellbeing of the population and reduce health inequalities. This includes the requirement to provide statutory open access sexual health services that provide residents with contraceptive services, the testing and treatment of sexually transmitted infections (STIs), sexual health promotion, and other forms of GUM.
3. The council has continued to commission successive service contracts for clinical sexual and reproductive health (SRH) services with GSTT and KCH since 2013. These are established specialist clinical SRH services: both have a long-term history of sexual health provision in Southwark and neighbouring Lambeth.
4. Local authorities receive a Public Health grant to fund these services. In common with most of England, sexual health services of this type are delivered in a clinical setting by hospital trusts.
5. The council currently pays for sexual health services delivered by KCH and GSTT on an annual block contracted basis. The value of the contracts is negotiated annually and the contracts are held and led by Lambeth Council who re-charge Southwark accordingly under the Lambeth, Southwark and Lewisham tripartite agreement, made between the boroughs of Lambeth, Southwark, Lewisham and their respective Clinical Commissioning Groups.
6. The use of the current open access pan-London contracts with KCH and GSTT by Lambeth Council on our behalf was agreed by Cabinet on 19 September 2017; this followed extensive London-wide collaboration on the transformation and reconfiguration of sexual health services across the capital to support future affordability and sustainability of provision. The service model provides a comprehensive set of sexual and reproductive health services for contraception, testing and treatment of STIs (including HIV), and diagnosis. These contracts are due to end on 31 March 2022.
7. The existing contracts were negotiated as part of the London-wide transformation agenda. They introduced a detailed pricing schedule via an integrated sexual health tariff (ISHT) and included a requirement to divert asymptomatic STI testing activity away from specialist clinical services to the sexual health e-service, to create additional clinical capacity to focus on complex demand.
8. This combination of ISHT-based clinic services and the e-service innovation was associated with significant savings for councils. The ISHT delivered considerable savings as it introduced a scale of tariff currencies

that replaced the previous flat rate payment by results (PbR) tariff system. The online service delivers asymptomatic STI testing at a cheaper price point than clinics.

9. Since 2017, the landscape of sexual and reproductive health has changed and there are a number of advancements that have since been incorporated into sexual and reproductive health provision locally and across London. These include:
  - the expansion of the pan-London e-service, which locally included uncapping access (i.e. the removal of the daily limit on tests available to be ordered online) during the COVID-19 pandemic
  - the development of a postal contraception offer, which was initially piloted by KCH
  - digital partner notification (contact tracing of sexual partners of a patient with a STI); and
  - the launch of routine access to pre-exposure prophylaxis (PrEP) in clinics, following the PrEP Impact Trial.
10. A full assessment of the impact of these changes and the continued impact of COVID-19 on population need and demand is required, including an assessment of how any additional capacity released by e-services is prioritised. This work would have been undertaken during the final year of the current contract; however, the ability to conduct a review of clinic activity has been constrained by changes in clinic attendance during COVID-19 as well as limited capacity amongst senior staff due to redeployment and other pandemic-related corporate priorities within the trusts. Commissioners are working closely with GSTT and KCH to embed recent changes, to plan for service recovery, and to consider how learnings from the pandemic will influence the future service model.
11. A rapid COVID-19 sexual and reproductive health impact assessment was commissioned by Lambeth on behalf of Southwark and Lewisham. Routinely available data sources were used alongside insight from providers and partner organisations. However, the timeframe and information available was limited in scope and there is an opportunity to, at an appropriate time, develop this impact assessment further, through engagement with stakeholders, service users, and others whose needs are not currently being met by existing services. A contract extension will allow for this work to be undertaken.

## **KEY ISSUES FOR CONSIDERATION**

### **Key Aspects of Proposed Variation**

12. The variation recommended in this report relates specifically to a 12-month extension of the contracts, with a six month break clause, between Lambeth Council and the existing providers KCH and GSTT. It is proposed that this extension will commence on 1 April 2022, with a revised contract completion date of 31 March 2023.



13. This Gateway 3 report seeks approval for the extension of the existing arrangement for access to the pan-London contract that Lambeth has with GSTT and KCH; this extension was not envisaged in the original five-year contractual term. This has arisen as a direct consequence of the impact of the COVID-19 pandemic. The extension is necessary to ensure continued access to services and sufficient time for commissioners to undergo a re-procurement exercise while our providers (major local acute trusts) are currently engaged in the pandemic response.
14. The estimated maximum value of this proposed variation is £4,304,489, combined with the maximum value of the original five-year contractual period (1 October 2017 – 31 March 2022), brings the total maximum aggregate contract value to £24,515,021. The value of this extension as a percentage of the overall contractual period is 17.6%.

### **Reasons for Variation**

15. The reasons for variation are detailed in paragraphs 9-11 and paragraph 13.
16. The Public Contracts Regulations (PCR) 2015 permit modifications to existing contracts of this nature without the need for a fresh procurement exercise in certain limited circumstances and this is confirmed within the concurrent report of the Director of Law and Governance .

### **Future Proposals for this Service**

17. A separate proposal in the form of a Gateway 0 paper has been submitted to this Cabinet, outlining plans for re-procurement and the activities associated with re-specifying these services.
18. For reasons of demonstrable best interest, the Gateway 0 report recommends the negotiation of direct awards for the re-procurement of these contracts with KCH and GSTT beyond the proposed extension; for a period of five or more years, commencing 1 April 2023.
19. However, if a negotiated approach does not prove successful in securing the services needed on the terms desired, commissioners would then be expected to undertake a competitive procurement to do so.
20. As described in paragraph 10, currently unfavourable market conditions necessitate contract extension. It is envisaged that future procurement will need to be managed over a longer period than is normally assigned due to the ongoing impacts of COVID-19.

### **Alternative Options Considered**

21. The following options have been considered and discounted.

22. **Do not extend existing contracts and immediately commence re-procurement exercise, with the aim of commencing new contracts by 1 April 2022:** As described in paragraphs 10-12, 14, and 20, market conditions are currently unfavourable for re-procurement and local providers (also major acute trusts) are appropriately prioritising responses to the COVID-19 pandemic. Immediate moves to re-procure risk damaging relationships with providers and it is unlikely that staff will have capacity to meaningfully engage with the process. This will negatively impact on the quality of co-production and engagement, and the quality of any new service. This is not the recommended option.
23. **Do not extend existing contracts but do not immediately commence re-procurement exercise:** There is not sufficient time to undertake a procurement of this scale and size to deliver a new service by the end of existing contracts if this work is not begun immediately. As described in paragraph 2, local authorities have a statutory duty to provide sexual and reproductive health services. This is not the recommended option.
24. **Do not extend existing contracts and decommission services:** As described in paragraph 2, local authorities have a statutory duty to provide sexual and reproductive health services. This is not a viable option.
25. **Extend existing contracts:** This is the preferred option.

#### Identified risks for the Variation

26. The identified risks for the proposed extension are detailed in the table below.

Risk	Risk level	Mitigation
The future of the Public Health Grant is unclear. Further savings may be required.	Medium	<p>Funding for local GUM services was protected during the COVID-19 pandemic in line with the Cabinet Office procurement policy note 02/20 'supplier relief due to COVID-19.' It is expected that, should the COVID-19 pandemic continue in its current course, that supplier relief would continue to be provided to KCH and GSTT to maintain essential sexual and reproductive health services.</p> <p>As part of the planned recommissioning, thorough cost-modelling is expected in order to reassess the appropriate budget for these contracts and their affordability.</p>

<b>Risk</b>	<b>Risk level</b>	<b>Mitigation</b>
Impact of Brexit	Medium	As with all sexual health services, these services rely upon imported consumables for the test kits and testing reagents. The suppliers have amassed an emergency stockpile of these, in order to minimise the impact of fluctuations in supply.
Reduced access to service for disadvantaged groups	Low	These services are open access for those who are asymptomatic. Some protected characteristics, including ethnicity, age and sexual identity are monitored by the services. As universal services for people needing STI testing and treatment, there is no evidence that these services have increased inequalities for any group. This will continue to be monitored throughout the life of the contracts.
Impact of long-term COVID-19 pandemic	Medium	<p>If the COVID-19 pandemic continues to cycle between periods of lockdown and periods of restriction, it is conceivable that attempts to re-procure may be hindered.</p> <p>Initial market shaping conversations have already commenced with local providers, signalling with advance notice our intention to re-procure. The proposed extension is expected to allow for the necessary time to consult and engage as necessary, with sufficient contingency in place.</p>
The proposed extension is met with legal challenge due to exceeding the initially agreed contract period	Low	The proposed extension fulfils the criteria set out in Regulation 72 of the Public Contracts Regulations 2015 and is therefore legally permissible.

### **Policy implications**

27. The Lambeth, Southwark, and Lewisham Sexual and Reproductive Health Strategy, 2019-24 reaffirms our commitment to maintaining the provision of and access to high quality and innovative STI testing and treatment services.
28. The Southwark Health and Wellbeing Strategy 2015-20 sets out that improving sexual health, particularly for those groups disproportionately

affected by poor sexual health, is a key issue for the council. Additionally, one of the strategy's key priorities is to promote increased self-care over a reliance on specialist care.

### **Contract management and monitoring**

29. Lambeth Council commissioners will continue to monitor the contracts on behalf of Southwark, under the auspices of the tripartite agreement and the shared commissioning arrangements. Robust governance is in place to ensure that the council has access to information needed to manage budgets, ensure local demand is met, and service standards are being adhered to. Monthly contract monitoring meetings will continue to occur with both providers and include discussion of activity, quality, and targets. Contract monitoring summaries will continue to be provided to the council monthly and at the quarterly Lambeth, Southwark, and Lewisham Sexual Health Partnership Board, and are reviewed annually in line with contract standing orders.
30. The tripartite commissioning support team within Lambeth Council undertake monthly finance and activity modelling for Southwark commissioners, to support the process of identifying any concerns with activity or spend.

### **Community impact statement**

31. Positive sexual health is not proportionate within the population; there are strong links between deprivation and sexually transmitted infections (STIs) and teenage conceptions and abortions, and the highest rates of STIs are found in men who have sex with men (MSM), young people and black and minority ethnic groups. The Lambeth, Southwark and Lewisham Sexual Health Strategy and Partnership Board have prioritised improved outcomes for MSM, young people and black and minority ethnic groups. These contracts provide a comprehensive integrated service for sexual health and, alongside the sexual health e-service, provide ongoing access to STI testing, contraception, HIV PrEP, information and advice, and signposting for all Southwark residents. It is expected that these services will continue to meet the needs of people of all protected characteristics, without excluding certain groups and increasing existing inequalities.

### **Social Value considerations**

32. The Public Services (Social Value) Act 2012 requires that the council considers, before commencing a procurement process, how wider social, economic and environmental benefits that may improve the wellbeing of the local area can be secured. Statements regarding social value in the GW2 report (see background documents) remain valid.
33. All providers pay London Living Wage.

### **Economic considerations**

34. All Southwark residents can, by statute, access sexual health clinics anywhere in the country, with the council where the person is resident being liable for the cost. Despite commissioners exerting downward pressure on clinic tariffs in recent years, the increasing need/demand for services has seen spend in Southwark increase. The high costs are unsustainable, especially given the sustained reductions to the Public Health Grant. Given the block contracting arrangements with KCH and GSTT, it is more cost effective for the council when residents access services locally.

### **Social considerations**

35. It has been identified that it is important for open access services and the e-service to link closely to ensure that service users are successfully integrated into appropriate care pathways; and to support the provision of consistent health promotion messages and sexual health information. While it is intended that the online service will enable an appropriate shift in activity from clinic-based services, it is essential that open access clinic-based services remain available for those who choose to use them. Some people will prefer to be seen by a health care professional. An equalities impact assessment conducted on the pan-London e-service identified that it is important for open access services and the e-healthcare service to link closely to ensure that service users are successfully integrating into appropriate care pathways; and to support the provision of consistent health promotion messages and sexual health information.

### **Environmental/Sustainability considerations**

36. The current service model includes an element of digital service access. The e-service provides a more cost-effective and sustainable service in challenging economic times. Residents accessing services online will reduce the environmental impact associated with clinic attendances.

### **Financial implications**

37. The council receives a Public Health Grant to carry out its public health duties including funding sexual health services such as the KCH and GSTT sexual and reproductive health contracts. The funding and commissioning of these services transferred to local authorities in April 2013 in line with the Health and Social Care Act 2012. In 2020/21, the council's grant is £27.555m.
38. This report seeks approval to extend the use by Lambeth Council of existing contracts with KCH and GSTT for genito-urinary medicine for a maximum period of 12 months commencing on 1 April 2022, at a contract value of £1,404,489 for KCH and £2,900,000 for GSTT; a total commitment of £4,304,489.
39. The costs will be monitored and contained within the Public Health Grant.

### **Legal implications**

40. Public Health Services transferred to local authorities on 1 April 2013 pursuant to the Health and Social Care Act 2012. Regulations made under s6C of the NHS Act 2006 require local authorities to provide, or makes arrangements to secure the provision of open access sexual health services in their area. HIV treatment and care, abortion, vasectomy and sterilisation services remain the responsibility of the NHS through the Clinical Commissioning Groups.

### **Consultation**

41. Service user feedback is regularly captured by clinic users through audits and the NHS Friends and Family Test. The online element of sexual health provision, including channel shifts from clinic to the e-service, was consulted on extensively as part of the initial procurement exercise; there was strong support for the use of online services as part of a sexual health system.
42. A key element of the aforementioned proposed re-procurement is extensive consultation and engagement. Commissioners will be undertaking focussed service user engagement and active co-design over the next twelve months, with a strong emphasis on behaviour change and co-production.

### **Other implications or issues**

43. None.

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

#### **Strategic Director of Finance and Governance (EL21/004)**

44. This report requests that Cabinet approves the extension of the use of the open access pan-London genito-urinary medicine (GUM) contracts that Lambeth Council have with King's College Hospital NHS Foundation Trust (KCH) and Guy's and St Thomas' Hospital Trust (GSTT) for a maximum period of 12 months commencing on 1 April 2022. The proposal has an estimated total contract value of £4.304m (£1,404,489 for KCH and £2,900,000 for GSTT), inclusive of a six month break clause.
45. The Strategic Director of Finance and Governance notes that the payments for these arrangements are to Lambeth Council who manage the contracts under the Lambeth, Southwark and Lewisham tripartite agreement in conjunction with the respective Clinical Commissioning Groups.
46. The Strategic Director of Finance and Governance also notes the costs of the variation and that the proposed costs are consistent with the outturn of

these arrangements in 2020/21. There is sufficient resources available to fund this proposal via the 2021/22 Public Health Grant.

47. All staffing and other costs connected with this recommendation are to be contained with existing Public Health departmental revenue budgets.

### **Head of Procurement**

48. This report seeks approval from Cabinet to extend the genito-urinary medicine (GUM) contracts with King's College Hospital NHS Foundation Trust (KCH) and Guy's and St Thomas' Hospital Trust (GSTT) for a maximum period of 12 months from 1 April 2022, at an estimated total cost of £4.304m (£1,404,489 for KCH and £2,900,000 for GSTT).
49. The risks for varying the contract are detailed in paragraph 25, contract management and monitoring is detailed in paragraphs 28 to 29. And the report confirms payment on the London Living Wage (LLW) in paragraph 32.

### **Director of Law and Governance**

50. This report seeks approval of an extension of the existing arrangement which allows the council (through a tripartite agreement with Lewisham and Lambeth Councils and the respective Clinical Commissioning Groups of the three authorities) to access the genito-urinary medicine contracts held by Lambeth Council with King's College Hospital NHS Foundation Trust and Guy's and St Thomas' Hospital Trust for a maximum period of 12 months commencing on 1 April 2022, at an estimated total contract value of £4.304.
51. In view of the value of the contracts (inclusive of the proposed variations) any further variation of the services will be subject to the requirements of the Public Contracts Regulations 2015 as they apply in the UK post Brexit. Under those Regulations a fresh procurement exercise is required unless it is possible to satisfy one or more of certain limited permitted grounds for "modification".
52. Regulation 72 (1) (c) permits modifications in cases where all of the following conditions are fulfilled:-
- the need for modification has been brought about by circumstances which a diligent contracting authority could not have foreseen;
  - the modification does not alter the overall nature of the contract;
  - any increase in price does not exceed 50% of the value of the original contract.

Paragraph 13 summarises the reasons why the proposed variation of the contracts has become necessary.

53. The proposed variation of the contracts will enable the council to continue to fulfil its statutory duty to provide, or make arrangements to secure the provision of open access sexual health services in its area.
54. The proposal is also consistent with domestic legislation and the council's Contract Standing Orders, which reserve the decision to approve the recommendation set out in paragraph 1 to the Cabinet.

## BACKGROUND PAPERS

Background Papers	Held At	Contact
Contract Award Approval Award of Contracts for the Provision of Sexual Health Services	160 Tooley Street	Talia Boshari <a href="mailto:Talia.boshari@southwark.gov.uk">Talia.boshari@southwark.gov.uk</a>
<b>Link:</b> <a href="http://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?Id=6272">http://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?Id=6272</a>		

## APPENDICES

No.	Title
None	



**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Evelyn Akoto, Health and Wellbeing	
<b>Lead Officer</b>	Sangeeta Leahy, Director of Public Health	
<b>Report Author</b>	Talia Boshari, Interim Programme Manager for Children & Young People and Sexual Health, Public Health Division Farrah Hart, Consultant in Public Health	
<b>Version</b>	Final	
<b>Dated</b>	1 June 2021	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director of Finance and Governance	Yes	Yes
Head of Procurement	Yes	Yes
Director of Law and Governance	Yes	Yes
Cabinet Member	Yes	Yes
<b>Contract Review Boards</b>		
Departmental Contract Review Board	Yes	Yes
Corporate Contract Review Board	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>	3 June 2021	

<b>Item No.</b> 13.	<b>Classification:</b> Open	<b>Date:</b> 15 June 2021	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Gateway 0 - Strategic Options Assessment for the provision of genito-urinary medicine services	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Evelyn Akoto, Health and Wellbeing	

**FOREWORD – COUNCILLOR EVELYN AKOTO, CABINET MEMBER FOR HEALTH AND WELLBEING**

The sexual and reproductive health of Southwark residents remains a significant priority and a driver of inequality in our local population. Over 8,000 new sexually transmitted infections (STIs) were diagnosed last year and approximately 2,500 residents are estimated to be living with HIV. We are also acutely aware that poor sexual and reproductive health outcomes do not affect all groups equally. The highest rates of new STI diagnoses are found in men who have sex with men, young people, and Black and minority ethnic groups, and there are strong links between deprivation and STIs, teenage conceptions, and abortion. Good sexual and reproductive health is, at its core, good overall health and our services play a critical role in meeting this need.

I had the pleasure of presenting at the launch of Southwark’s latest sexual and reproductive health strategy in 2019 where I spoke to the strong history of innovation and integration within Southwark, Lambeth, and Lewisham. We provided a proof of concept of online testing and led the integration of sexual and reproductive health services. Since then, local commissioners and clinicians have continued to lead the way across London, pioneering digital tools such as e-partner notification, and working closely with our diverse local communities and voluntary and community sector. The local clinics at Guy’s and St Thomas’ Hospital and King’s College Hospital are a key component of our offer to local residents, providing open access sexual and reproductive health care. Alongside these services, we have also expanded investment into the pan-London e-service, commissioned a new health promotion service led by and working with our local Black African and Black Caribbean communities, and are undertaking insight research to understand the motivators of our most frequent out-of-area STI testers.

Since the latest contracts with these trusts were last awarded, we have seen continued developments across the sexual health system, and then the COVID-19 pandemic began. In light of these changes, now is the time to explore what service model is the best fit for our residents, balancing digital access with face-to-face contact for our more vulnerable residents, including young people. Increased access to HIV pre-exposure prophylaxis (PrEP) medication is an incredible step forward in reducing new HIV diagnoses, preventing HIV acquisition when taken prior

to engaging in an activity where there is a risk of being exposed. However, we also need to review the impact of routine HIV PrEP commissioning on clinic and e-service capacity and how our clinics can continue to meet the needs of residents experiencing the poorest outcomes. Aligned to this is a review of the financial sustainability and stability of these contracts, ensuring we strike the right balance between providing the best service for our residents while delivering best value from the contract.

This report describes a comprehensive Programme of Change established to govern and lead the re-procurement of local sexual health clinics. During this Programme of Change, we will consult and co-produce a model of delivery with service users, and underpin this work with detailed activity and financial modelling. We are recommending the continued close working and joint approach with Lambeth and Lewisham, and our local trusts, to deliver a sustainable, integrated, and innovative sexual health clinic offer. This work will continue to progress the commitments we set out in our Strategy in 2019: to provide high-quality and innovative STI testing and treatment services and reduce the local burden of STIs, in particular amongst those disproportionately affected.

## **RECOMMENDATIONS**

1. That the Cabinet:
  - a) approves this Strategic Options Assessment (paragraphs 34-46) for the delivery of genito-urinary medicine (GUM) services for Southwark Council;
  - b) approves the recommendation (option five, paragraph 50) to undertake a joint procurement with Lambeth and Lewisham and negotiate with the existing providers; and
  - c) notes the proposed service requirements and outcomes for the future GUM contracts (set out in paragraphs 25-33) and that formal consultation on the future service model will be conducted with service users and residents as part of the planned engagement programme.

## **BACKGROUND INFORMATION**

2. The Health and Social Care Act 2012 transferred, with effect from 1 April 2013, substantial duties to local authorities to improve the health and wellbeing of the population and reduce health inequalities. This includes the statutory requirement to provide open access sexual health services that provide residents with contraceptive services, the testing and treatment of sexually transmitted infections (STIs), sexual health promotion, and other forms of GUM.
3. Local authorities receive a Public Health grant to fund these services. In common with most of England, sexual health services of this type are delivered in a clinical setting by hospital trusts.

## Current services

4. The council has approved the use of open access pan-London contracts by Lambeth Council on our behalf for clinical sexual and reproductive health (SRH) services with Guy's and St Thomas' Hospital Trust (GSTT) and King's College Hospital (KCH) successively since 2013. These are established specialist clinical SRH services: both have a long-term history of sexual health provision in Southwark and neighbouring Lambeth.
5. The council currently pays for sexual health services delivered by GSTT and KCH on an annual block contracted basis. The value of these contracts is negotiated annually and they are held and led by Lambeth Council, who re-charge Southwark accordingly under the Lambeth, Southwark and Lewisham (LSL) tripartite agreement, made between the boroughs of Lambeth, Southwark, Lewisham and their respective Clinical Commissioning Groups.
6. The current contracts with GSTT and KCH commenced in 2017 following extensive London-wide collaboration on the transformation and reconfiguration of sexual health services across the capital to support future affordability and sustainability of provision. They introduced a detailed pricing schedule via an integrated sexual health tariff (ISHT) and included a requirement to divert asymptomatic STI testing activity away from specialist clinical services to the sexual health e-service, to create additional clinical capacity to focus on complex demand. The service model provides a comprehensive set of SRH services for contraception, testing and treatment of STIs (including HIV), and diagnosis.
7. These contracts are due to end on 31 March 2022, though commissioners are concurrently seeking an extension to these contracts until 31 March 2023 (see Gateway 3 in background papers and elsewhere in this Cabinet agenda).

## Sexual health system developments

8. Since 2017, the landscape of sexual and reproductive health has changed and there are a number of advancements that have since been incorporated into SRH provision locally and across London. These include:
  - the expansion of the pan-London e-service, which locally included uncapping access (i.e. the removal of the daily limit on tests available to be ordered online) during the COVID-19 pandemic (see background papers)
  - the development of a postal contraception offer, which was initially piloted by KCH
  - digital partner notification (contact tracing of sexual partners of a patient with a STI); and
  - the launch of routine access to HIV pre-exposure prophylaxis (PrEP) in clinics, following the PrEP Impact Trial.
9. Moving asymptomatic testing, treatment, and contraception services out of clinic and to the e-service enables continuing cost efficiencies (online testing, treatment and contraception is cheaper than clinic testing, treatment and

contraception); ensures a sustainable local sexual health system; and enables the council to continue to manage clinic demand and capacity. Early diagnosis and treatment also prevents onward infection (reducing the number of transmitted infections) and is essential in reducing the prevalence of infection within the population (and associated treatment costs, for which the council is responsible). The online STI self-testing service delivered through Sexual Health London (SHL) supplements the offer of sexual health services in clinic and reduces the cost of testing significantly.

10. In autumn 2019, Cabinet and council assembly approved proposals for an “invest to save” approach for sexual health services, as part of the budget challenge process. Demand and costs for sexual health services had been growing steadily, and it was proposed that the sexual health e-service be uncapped and e-services be promoted to key groups of service users, to channel shift service users who would otherwise utilise more expensive clinic-based services. It was agreed that this would happen from 1 April 2020.
11. Plans to uncap the e-service were brought forward by the coronavirus crisis. In March 2020, several sexual health clinics across London were closed, with clinical staff being redeployed to intensive care settings, and remaining clinic services were prioritised for complex, high risk, and urgent cases. It was agreed that provision for low risk and non-complex cases must be moved online as quickly as possible, to prevent cumulative harm to health from untreated STIs. The e-service was uncapped in Southwark on 17 March 2020. Online testing pathways were expanded to include low risk, symptomatic patients and contacts, with clinics carrying out clinical telehealth consultations to assess and triage symptomatic patients to online or in-clinic services.
12. The e-service records and reports on uptake of the service by different population groups. Equalities monitoring of SHL activity over the five month period from April – August 2020 revealed an increasing proportion of service users self-reporting as female, a young person, or of Black ethnicity. These groups accounted for a greater proportion of service users in Southwark compared to the London average, suggesting the service was accessible to these groups during the pandemic period.
13. The e-service was further developed during the pandemic in response to a lack of access to essential contraception services during the crisis. SHL established an online contraception pathway to sit alongside the STI testing offer on its website. KCH had already piloted online contraception access for Lambeth and Southwark residents using a different provider, so agreed to revive this pathway as an interim measure until the SHL service was ready to launch.
14. Southwark joined the online contraception service on 15 November 2020, transitioning seamlessly with the last day of the KCH commissioned service, to ensure that Southwark were not left with a gap in contraception access because of the implementation of new national restrictions.

15. The expanded online testing, treatment and contraception pathways remain better value than clinic pathways. By opening up and expanding these routes, activity has been diverted away from clinics, and the council has seen a reduction in genito-urinary clinic service costs. Some of the activity has been reduced because of the impact of the coronavirus pandemic, but this period represents a unique opportunity to embed digital sexual health services and achieve permanent channel shift away from clinics.
16. Commissioners and providers have also accommodated the implementation of routine HIV PrEP commissioning and provision in GUM clinics from autumn 2020; PrEP is medication taken prior to engaging in an activity where there is a risk of HIV acquisition to prevent this from happening. On 1 October 2020, Department for Health and Social Care (DHSC) published the grant determination for the PrEP grant for the 2020/21 financial year, which set out final amount and conditions for the ring-fenced grant to local authorities. Local authorities in London mobilised this service extremely quickly, with routine commissioning of PrEP starting at trusts in South East London from 15 October 2020. The commissioning model is initially based on two clinic visits per year and two sets of online STI tests per year (administered via SHL). London sexual health commissioners are still exploring the viability of shifting even more of these in-person clinic visits to digital or “virtual” channels, in order to both improve access for those individuals who cannot access PrEP in person (due to cultural stigma, disability, work or transport issues), as well as to reduce the costs of clinic visits.

### **COVID-19 impact assessment**

17. A full assessment of the impact of the aforementioned developments and the continued impact of COVID-19 on population need and demand is required, including an assessment of how any additional capacity released by e-services is prioritised. This work would have been undertaken during the final year of the current contract; however, the ability to conduct a review of clinic activity has been constrained by changes in clinic attendance during COVID-19 as well as limited capacity amongst senior staff due to redeployment and other pandemic-related corporate priorities within the trusts. Commissioners are working closely with GSTT and KCH to embed recent changes, to plan for service recovery, and to consider how learnings from the pandemic will influence the future service model.
18. A rapid COVID-19 sexual and reproductive health impact assessment was commissioned by Lambeth on behalf of Southwark and Lewisham. Routinely available data sources were used alongside insight from providers and partner organisations. Emerging data from the pandemic period suggest that the e-service was able to off-set the majority of the reduction in face-to-face clinic testing activity (as a result of NHS prioritisation directives). Analyses by age, sex, and ethnicity further indicate that the increase in e-service use has been broadly proportionate for different groups and does not pose an immediate concern around the exacerbation of health inequalities. However, equalities data will continued to be monitored to ensure use remains equitable between groups.

19. Women's ongoing sexual and reproductive health needs have been of particular concern during the pandemic. Emergency hormonal contraception (EHC) use has historically been disproportionately higher in Black communities and, after an initial reduction at the start of the pandemic, their use of EHC resumed more quickly than that of women of other ethnicities. This suggests a particular unmet contraceptive need for these women. Work is currently underway with the LSL sexual health promotion service (Love, Sex, Life) to understand and overcome barriers to contraception use experienced by local Black African and Black Caribbean communities. Access to long-acting reversible contraception (LARC) was also severely reduced during the pandemic due to the prioritisation of in-person appointments towards acute clinical need. While activity has since improved, the availability of routine LARC will continue to be monitored with a view of improving local women's access to the full range of contraceptive methods from a variety of settings, including primary care. Patient flow between primary care and GUM services has been highlighted as a priority theme for the Programme of Change and crucial to reducing persistent inequalities in women's reproductive health.
20. The timeframe and information available for this rapid impact assessment are acknowledged as being limited and there is an opportunity to, at an appropriate time post-acute pandemic, develop this impact assessment further, through engagement with stakeholders, service users, and others whose needs are not currently being met by existing services. This work will feed into an equalities impact assessment of any proposed changes to service provision, to be presented alongside a Gateway 1 report. A contract extension has been requested to allow for this work to be undertaken, to inform the specification of new contracts upon completion.

## **Engagement**

21. The proposed recommissioning of GUM contracts is to be led by a Programme of Change board, with commissioning and public health representatives across South East London.
22. Alongside the Programme of Change board, LSL commissioners have established a substantial programme of service user and professional engagement, to inform the future service model for GUM clinics. The engagement programme will be steered by a multi-disciplinary group of providers and commissioners, representing partners across the SRH system.
23. The 'citizen engagement and cross-system co-creation' programme will be structured around three phases:
  - a discovery phase (work already underway) to understand how services have changed and how this has affected the user experience. This phase involves desk-based research, a survey of service users and non-user residents, and mystery shopping
  - action-based co-creation workshops bringing together local residents, clinicians, and commissioners to detail what changes could improve service delivery, health outcomes, and user experience; and

- a rapid co-design phase using facilitated workshops to convert findings from the aforementioned activities into tangible plans and agreed actions across the system.
24. Recruitment to this programme of engagement and co-creation will ensure a broad and representative range of participants are involved. Particular attention will be paid to ensure recruitment of patients who don't typically participate in such activities, those who do not regularly use local GUM services (so as to explore barriers to access), and residents from a range of ethnic backgrounds to represent our diverse LSL populations.

## **KEY ISSUES FOR CONSIDERATION**

### **Future service requirements and outcomes**

25. As discussed in paragraphs 21-24, a significant programme of engagement and co-creation is underway to inform future service requirements, within the remit of our statutory obligations to provide SRH services. In addition to the output from these activities, LSL commissioners and clinical leads within the trusts have collectively reviewed where the statutory service model can be enhanced to optimise clinic capacity and maximise efficiencies, and remain accessible to residents who need it.
26. The e-service has been able to provide an increasing range of online services to meet additional demand diverted from clinic. The improved digital offer increases opportunities to transfer non-complex care and build clinic capacity to focus on more complex and complicated elements of SRH care requiring face-to-face support. The optimal balance between activity that needs to take place in clinic and the digital or remote service offer (i.e. e-service or telephone / tele-health consultations) is to be determined. It is expected some SRH care will require elements of both. Current equalities monitoring of the e-service suggests SHL is accessible and used by a diverse range of patients (see paragraphs 12 and 18), but uptake will continue to be closely monitored for any developing inequalities.
27. HIV PrEP provision will need to be formally integrated and embedded within this service, with an appropriate mix of clinic-based and e-service elements to facilitate this.
28. Alongside an emphasis on digital delivery, it remains a priority to maintain 'walk-in' service availability for patients who would not (or are not able) to access services online, those with urgent clinical need, and those who are vulnerable and most at risk of poor sexual health. It is expected that the increasing shift to digital provision will enable a renewed focus on reducing health inequalities and targeting face-to-face support to those who most need it. This includes, but is not limited to, some men who have sex with men (MSM), commercial sex workers, young people, vulnerable adults, and those who may feel marginalised from SRH services. Targeted outreach and/or links within existing outreach services may be required to support clinic access and



further details of targeted work to reduce inequalities will be explored in the Gateway 1 paper.

29. Increasing clinic capacity for complex patients may increase the likelihood of safeguarding interventions. Safeguarding support and links will be strengthened within all services that may engage with young people and/or vulnerable adults about their sexual health.
30. Aligned to the proposed and anticipated changes to service delivery, modelling is required to understand how demand for various aspects of the service may evolve and how to manage associated changes to resources. Consideration will be given to how the clinic service model will be impacted financially by a changed balance of service use and service users, to be informed by financial and activity modelling. Staff mix and training/development requirements will be reviewed in light of this modelling, in collaboration with providers.
31. Finally, commissioners will consider the continued utility of satellite clinic provision and whether these continue to be fit for purpose. It will be important to explore whether this remains the right structure to meet the changing needs of our local population. There may be alternative sites and access points within the system that could be considered for the care previously delivered by satellite clinics. As the number of access points to the SRH system increases and diversifies, GUM clinics will be expected to strengthen the integration of pathways between providers to ensure seamless care to users. A review of the patient experience of the pathways currently in place is planned as part of the Programme of Change and engagement programme.
32. There is a joint ambition from both commissioners and providers to maintain the spirit and delivery of innovation for which LSL has become known within the SRH system. Future contracts should continue to support and allow for innovation and in-year service improvements.
33. Service-level outcomes and key performance indicators will be delivered over the course of the proposed Programme of Change and the extension proposed in the Gateway 3 paper will enable commissioners to further develop and refine the vision of the future SRH service model.

### **Strategic service delivery options and assessment**

#### **Option one: external procurement via competitive tender**

34. The service is currently provided by an external NHS provider.
35. The market for experienced GUM providers is limited and most London procurements to date have seen contracts awarded to incumbent providers. Both GSTT and KCH are well-recognised in the local community and have a history of strong performance.

36. Competitive sexual health procurements in London are extremely complex and time-consuming, and require large amounts of specialist commissioning input.
37. New providers will need to mobilise across the borough, providing on-the-ground specialist clinics. These take time to build to the correct clinical requirements, and are sometimes subject to lease, build and subsequent opening delays. For example, several new clinics in London had substantially delayed openings following the previous round of sexual health procurements in London, which led to confusion with service users.

Benefits	Risks
<ul style="list-style-type: none"> <li>▪ Clarity on financial envelope and service expectations within that</li> <li>▪ May be a quicker route to market should negotiations with existing providers prove difficult</li> </ul>	<ul style="list-style-type: none"> <li>▪ Less control of staff structures and overheads, though this is controlled for within the integrated sexual health tariff</li> <li>▪ Reputational risks with existing providers who are well embedded in local strategic structures</li> <li>▪ Mobilisation delays</li> </ul>

#### **Option two: external procurement via negotiation**

38. The negotiation of direct award for the procurement of these contracts with GSTT and KCH would enable commissioners and providers to pursue the aforementioned Programme of Change and deliver embedded and sustainable service improvements by the start of the new contract.
39. The Programme of Change includes a process of detailed activity and financial modelling, ensuring contracts deliver value for money upon re-negotiation.
40. Both GSTT and KCH have given initial indications that they would be willing to negotiate this new specification and are contributing the Programme of Change engagement programme.
41. Should a negotiated approach not prove successful in securing the service on the terms desired, a competitive procurement with an external provider could be undertaken; however, as described in paragraphs 36 and 37, this is very complex and requires specialist commissioning expertise.

Benefits	Risks
<ul style="list-style-type: none"> <li>▪ Implementable within short timeframe with little/no service disruption upon commencement of new specification</li> </ul>	<ul style="list-style-type: none"> <li>▪ Less control of staff structures and overheads, though this is controlled for within the integrated sexual health tariff</li> </ul>

Benefits	Risks
<ul style="list-style-type: none"> <li>▪ Provider reach: established relationships between GSTT, KCH, local partners, and the local population</li> <li>▪ Continue to build and develop on well-embedded services</li> <li>▪ Clarity on financial envelope and service expectations within that</li> </ul>	

### Option three: in-source

42. The council does not currently have the clinical expertise or governance to deliver clinical GUM services in-house. The council could decide to deliver this directly, or set up a Community Interest Company to provide these services. However, this would require the council to transfer clinical teams and make appropriate training, equipment, and premises available for them to operate from. This would require a significant capital investment and would need to give due consideration to workforce issues.

Benefits	Risks
<ul style="list-style-type: none"> <li>▪ High level of control of service</li> <li>▪ Control of staff structures</li> <li>▪ Control of overhead costs</li> </ul>	<ul style="list-style-type: none"> <li>▪ Likelihood of staff attrition</li> <li>▪ Staff on-costs</li> <li>▪ Medium to long lead-in time required</li> <li>▪ Capital investment required</li> <li>▪ Additional HR resource required</li> <li>▪ Additional considerations in setting up a clinical service (e.g. insurance)</li> </ul>

### Option four: decommissioning services

43. As described in paragraph 2, local authorities have a statutory duty to provide SRH services. This is not a viable option.

### Option five: joint procurement approach

44. The council has the option to continue its shared procurement approach across LSL, and commission jointly with Lambeth Council a shared service. Should the council decide to pursue this option of joint procurement, Lambeth and Southwark boroughs may pursue options one or two above; the benefits and risks outlined above will remain the same.
45. The council already works with Lambeth to procure these services, in accordance with the LSL tripartite agreement. This provides greater flexibility to GSTT and KCH in service planning. South East London commissioners are,

via the Programme of Change board, committed to continuing to work collaboratively to re-procure these services.

46. Lambeth and Lewisham are submitting concurrent business cases to their respective local authorities in favour of a joint procurement approach to negotiate with the existing providers.

Benefits*	Risks*
<ul style="list-style-type: none"> <li>▪ Potential for increased economies of scale across a multi-borough service</li> <li>▪ Dedicated contract managing capacity via tripartite agreement</li> <li>▪ Established commissioning team with relationships with London providers</li> </ul>	<ul style="list-style-type: none"> <li>▪ Ability to align outcomes and funding levels for the services</li> <li>▪ Timeline for tendering and internal governance processes increases proportionately with each additional partner involved</li> </ul>

\*These benefits and risks are in addition to the benefits and risks outlined above in options one and two (as relevant).

### Policy Implications

47. The Lambeth, Southwark, and Lewisham Sexual and Reproductive Health Strategy, 2019-24 reaffirms our commitment to maintaining the provision of, and access to, high quality and innovative STI testing and treatment services.
48. The Southwark Health and Wellbeing Strategy 2015-20 sets out that improving sexual health, particularly for those groups disproportionately affected by poor sexual health, is a key issue for the council. Additionally, one of the strategy's key priorities is to promote increased self-care over a reliance on specialist care, supporting the need to review current service provision.
49. The Borough Plan sets out the commitment to reduce health inequalities, in particular 'closing the gap in health inequalities that affect our Black, Asian and minority ethnic communities.' Poor sexual and reproductive health means poor overall health and wellbeing. Whilst there have been considerable improvements in key SRH outcomes, these have not been made equally across our population and Black and minority ethnic (BAME) communities remain disproportionately affected by emergency contraception use, termination of pregnancy, and new HIV diagnoses. Ensuring equal access to essential services across these populations is critical in reducing inequalities in health outcomes.

### Recommended strategic delivery option

50. Based upon the information and details outlined in this report, the recommended strategic delivery option is option five: joint procurement approach and negotiation with existing providers (paragraphs 44 to 46 above). Future investigation and details of the approach to delivery of this service will be undertaken to progress this option.

### Identified risks for the service and recommended strategic option

51. The identified risks for negotiating with our existing external provider to deliver the shared service are set out below, with mitigations identified:

Risk	Risk level	Mitigations
Unable to control costs of services, or secure services at a price within the local authority budget for the services.	Medium	Work with current providers to agree a financial envelope, informed by extensive activity and financial modelling.
Choice of route to market may fail and/or lengthen delivery timeline	Low	<p>Detailed procurement strategy led by Programme of Change board. Long lead-in time to allow for sufficient discussion with current providers and soft market testing as required. Option to go to competitive tender is still available should negotiations prove unsuccessful.</p> <p>Extensive planning and coordination of governance timelines between Southwark, Lambeth, and Lewisham.</p> <p>Programme of Change engagement programme includes representation from providers, to increase buy-in to the approach.</p>
Current service quality may reduce while going through procurement/negotiation process	Medium	<p>Ensure dedicated resource allocated.</p> <p>Work with provider to mitigate staff risk and feed into resource modelling.</p> <p>Continue regular (monthly) contract monitoring with providers throughout to monitor KPIs.</p>
Procurement delayed due to ongoing COVID-19 pandemic.	Medium	<p>Pragmatic and constructive planning agenda that recognises prioritising core service provision.</p> <p>Longer than usual lead-in time to support procurement decisions (see Gateway 3 in background papers)</p>

Risk	Risk level	Mitigations
The future of the Public Health Grant is unclear. Further savings may be required.	Medium	There is a statutory requirement to provide open access sexual health services. As part of the planned recommissioning, thorough cost-modelling is expected in order to reassess the appropriate budget and block payments for these contracts and their affordability.
Impact of Brexit	Medium	As with all sexual health services, these services rely upon imported consumables for the test kits and testing reagents. The suppliers have amassed an emergency stockpile of these, in order to minimise the impact of fluctuations in supply.
The recommended strategic option is met with legal challenge	Low	The council would ensure that the procurement route agreed between the authorities is compliant with the Public Contracts Regulations 2015.

### Key/Non Key decisions

52. This is a key decision.

### Next Steps

53. It is recommended that the council considers the proposed service requirements and outcomes for the future GUM contracts (set out in paragraphs 25-33) and works with the currently commissioned providers to continue to develop the Programme of Change. Formal consultation on the future service model will be conducted with service users and residents as part of the engagement programme.
54. It is recommended that the council begin negotiations with the current providers, GSTT and KCH, to agree the collaborative development and provision of a new service model.
55. It is recommended that the council conduct further work on a detailed procurement strategy for the re-commissioning of the service against the proposed service model, once agreed, to be presented to Cabinet for Gateway 1 decision.

## Service Delivery Project Plan (Key Decisions)

Activity	Complete by:
Enter Gateway 0 decision on the Forward Plan	01/05/2021
DCRB Review Gateway 0	05/05/2021
CCRB Review Gateway 0	13/05/2021
Approval of Gateway 0: Strategic Options Assessment	15/06/2021
Scrutiny Call-in period and notification of implementation of Gateway 0 decision	29/06/2021
Current contract end date (provided Gateway 3 is approved)	31/03/2023
Gateway 1 completion (est.)	January 2022

### Community impact statement

56. Positive sexual health is not proportionate within the population; there are strong links between deprivation and STIs and teenage conceptions and abortions, and the highest rates of STIs are found in MSM, young people and BAME groups. The Lambeth, Southwark and Lewisham Sexual Health Strategy and Partnership Board have prioritised improved outcomes for MSM, young people and black and minority ethnic groups. These contracts provide a comprehensive integrated service for sexual health and, alongside the sexual health e-service, provide ongoing access to STI testing, contraception, HIV PrEP, information and advice, and signposting for all Southwark residents. It is expected that these services will continue to meet the needs of people of all protected characteristics, without excluding certain groups and increasing existing inequalities.

### Social Value considerations

57. The Public Services (Social Value) Act 2012 requires that the council considers, before commencing a procurement process, how wider social, economic and environmental benefits that may improve the wellbeing of the local area can be secured. Statements regarding social value in the Gateway 2 and Gateway 3 reports (see background papers) remain valid and will be committed to in future contracts.
58. Both providers pay London Living Wage.
59. Under the Fairer Future Procurement Framework, the council aims for all contracts over £1m in value will provide at least one apprenticeship for per £1m of contract value. A discussion of apprenticeships will be included as part of the negotiations held with the existing service providers and further information will be provided in the Gateway 1 report. Both trusts currently offer apprenticeship schemes to support local people into employment and offer

non-clinical work experience to Southwark and Lambeth students and residents.

60. Both GSTT and KCH are embedded within and engage with the local community and in safeguarding. They offer outreach and/or specialist clinics to vulnerable women, patients with severe mental illness and drug abuse, and members of the Trans community. GUM services play an important role in screening for potential safeguarding issues in these groups and in all their patients.

### **Economic considerations**

61. All Southwark residents can, by statute, access sexual health clinics anywhere in the country, with the council where the person is resident being liable for the cost. Despite commissioners exerting downward pressure on clinic tariffs in recent years, the increasing need/demand for services has seen spend in Southwark increase. The high costs are unsustainable, especially given the sustained reductions to the Public Health Grant. Given the block contracting arrangements with GSTT and KCH (which will remain under these proposed new contracts), it is more cost effective for the council when residents access services locally.

### **Social considerations**

62. It has been identified that it is important for open access services and the e-service to link closely to ensure that service users are successfully integrated into appropriate care pathways; and to support the provision of consistent health promotion messages and sexual health information. While it is intended that the online service will enable an appropriate shift in activity from clinic-based services, it is essential that open access clinic-based services remain available for those who choose to use them. Some people will prefer to be seen by a health care professional. An equalities impact assessment conducted on the pan-London e-service identified that it is important for open access services and the e-healthcare service to link closely to ensure that service users are successfully integrating into appropriate care pathways; and to support the provision of consistent health promotion messages and sexual health information.
63. The engagement programme within the Programme of Change will additionally capture service user feedback on the accessibility and availability of services.

### **Environmental/Sustainability considerations**

64. The availability of high-quality SRH clinics local to Southwark and neighbouring Lambeth promotes the use of active transport such as walking, cycling, and public transportation to attend appointments. The further development of a digital offer for SRH services reduces unnecessary travel to/from clinic sites where it is not required.



**Plans for the monitoring and management of project**

65. The planned procurement and Programme of Change is being led by joint SRH commissions in Lambeth, who provide commissioning and contract expertise on behalf of LSL as per the terms of the LSL tri-partite agreement.
66. The Programme of Change board has already been established and is meeting monthly to monitor progress. This board consists of commissioners and public health leads from LSL, and the joint commissioning team; there is dedicated resource within the Southwark Public Health team to support this work.

**Resource implications**

67. There are no resource implications arising from this report. Any implications from future changes will be set out in a Gateway 1 procurement strategy report.

**TUPE/Pensions implications**

68. There are no TUPE/Pensions implications arising from this report. Any implications from future changes will be set out in a Gateway 1 procurement strategy report.

**Financial implications**

69. There are no financial implications arising from this report. Any implications from future changes will be set out in a Gateway 1 procurement strategy report.

**Investment implications**

70. There are no investment implications arising from this report. Any implications from future changes will be set out in a Gateway 1 procurement strategy report.

**Legal implications**

71. Please see concurrent from the Director of Law and Governance.

**Consultation**

72. As set out in paragraphs 21-24, a programme of engagement is planned to support this re-commissioning.

**Other implications or issues**

73. None.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Strategic Director of Finance and Governance (EL21/003)**

74. This report seeks the approval from the Cabinet Member for Public Health and Community Safety of the strategic options assessment for the delivery of genito-urinary medicine services in Southwark.
75. The Strategic Director of Finance and Governance notes at this stage there are no financial implications arising from this report and any implications from future changes will be set out in a Gateway 1 procurement strategy report.

### **Head of Procurement**

76. This report seeks approval from cabinet for the strategic options assessment for detailed above for the delivery of genito-urinary medicine (GUM) services with Southwark.
77. This report conforms to the council Contract Standing Orders (CSO).
78. The risks are detailed in paragraph 51, contract management and monitoring is detailed in paragraphs 65 to 66 and confirms payment of the London Living Wage (LLW) in paragraph 58.

### **Director of Law and Governance**

79. This report seeks the approval of the strategic options assessment for the delivery of genito-urinary medicine services in Southwark.
80. Under the council's Contract Standing Orders, a pre-procurement/Gateway 0 report is required for any service contract with an estimated contract value of £10m or more, or other strategically important contract for services, goods or works where requested by the relevant cabinet member. The decision to approve the report recommendation is reserved to the relevant cabinet member, although it may be referred to the Cabinet for decision.
81. The recommended strategic delivery option is for the council to establish a shared service with neighbouring boroughs Lambeth and Lewisham, through negotiation with the existing service providers. However, the contract value is not yet known and will be confirmed in the Gateway 1 report together with details of the proposed procurement strategy.

**BACKGROUND DOCUMENTS**

<b>Background Documents</b>	<b>Held At</b>	<b>Contact</b>
Gateway 3 – Variation Decision Extension of contracts for the provision of genito-urinary medicine services at KCH and GSTT	Public Health (held electronically)	Talia Boshari, 07548 711767
<b>Link (please copy and paste into browser):</b> <a href="https://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=7013&amp;Ver=4">https://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=7013&amp;Ver=4</a>		
Gateway 2: Contract Award Approval - Award of Contracts for the Provision of Sexual Health Services	Public Health (held electronically)	Talia Boshari, 07548 711767
<b>Link (please copy and paste into browser):</b> <a href="http://moderngov.southwark.gov.uk/documents/s70943/Report%20Gateway%20%20Contract%20Award%20Approval%20-%20Award%20of%20Contracts%20for%20the%20Provision%20of%20Sexual%20Health%20S.pdf">http://moderngov.southwark.gov.uk/documents/s70943/Report%20Gateway%20%20Contract%20Award%20Approval%20-%20Award%20of%20Contracts%20for%20the%20Provision%20of%20Sexual%20Health%20S.pdf</a>		
Lambeth, Southwark and Lewisham Sexual Health Strategy 2014-17	Public Health (held electronically)	Talia Boshari, 07548 711767
<b>Link (please copy and paste into browser):</b> <a href="http://moderngov.southwark.gov.uk/documents/s51569/Appendix%202%20Lambeth%20Southwark%20and%20Lewisham%20Sexual%20Health%20Strategy%202014-%202017.pdf">http://moderngov.southwark.gov.uk/documents/s51569/Appendix%202%20Lambeth%20Southwark%20and%20Lewisham%20Sexual%20Health%20Strategy%202014-%202017.pdf</a>		

**APPENDICES**

<b>No.</b>	<b>Title</b>
None	

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Evelyn Akoto, Health and Wellbeing	
<b>Lead Officer</b>	Sangeeta Leahy, Director of Public Health	
<b>Report Author</b>	Talia Boshari, Interim Programme Manager for Children & Young People and Sexual Health, Public Health Farrah Hart, Consultant in Public Health	
<b>Version</b>	Final	
<b>Dated</b>	1 June 2021	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director of Finance and Governance	Yes	Yes
Head of Procurement	Yes	Yes
Director of Law and Governance	Yes	Yes
<b>Contract Review Boards</b>		
Departmental Contract Review Board	Yes	Yes
Corporate Contract Review Board	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>		1 June 2021

<b>Item No.</b> 14.	<b>Classification:</b> Open	<b>Date:</b> 15 June 2021	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Report of the Education and Local Economy Scrutiny Commission: Review of Approach to Equality and Adoption of the Equality Framework	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Education and Local Economy Scrutiny Commission	

### RECOMMENDATIONS

1. That cabinet note the recommendations from the education and local economy scrutiny commission arising from the interview with the cabinet member for Communities, Equalities and Neighbourhoods in respect of the council's review of approach to equality and adoption of the Equality Framework, paragraph 7.
2. That the cabinet request that the relevant cabinet member reports back to cabinet on the recommendations within eight weeks.

### BACKGROUND INFORMATION

3. The overview and scrutiny committee delegated the matter of Equalities to the education and local economy scrutiny commission for the 2020/21 municipal year.
4. The education and local economy scrutiny commission interviewed the cabinet member for communities, equalities and neighbourhoods at its meeting on the 22 February 2021 in respect of equalities issues and sought an overview from the cabinet member on the main council equalities initiatives, plans for better understanding racial disparities in the Council and beyond and how the council is addressing the many equalities related issues arising due to the Covid-19 pandemic.
5. A detailed response was provided by the cabinet member in advance of the meeting. The cabinet member also responded to questions at the commission meeting.
6. At the subsequent meeting of the commission, the education and local economy scrutiny commission drafted recommendations arising from the information and responses provided by the cabinet member as set out at paragraph 7.

## KEY ISSUES FOR CONSIDERATION

7. Set out below our the recommendations of the education and local economy scrutiny commission in respect of equalities issues:

### *Data*

- The Commission supports the Council's intention to consolidate all equalities data and recommends that it is ultimately provided to the public in an accessible fashion (i.e. as open data).

### *Reporting*

- The Commission supports the Council's intention to conduct a benchmarking exercise comparing the Council's proposed equalities framework model to that of other boroughs.
- The Commission recommends the draft equalities framework is submitted to the Education and Local Economy Commission for comment once it is substantially drafted.
- The Commission supports the Council's intention to conduct an equalities audit once the equalities framework is complete and recommends that the Council develops a transparent mechanism for assessing progress annually for performance across the equalities framework, which incorporates clear metrics.

### *Capacity-building and capacity-identifying*

- Building on existing work as part of the Southwark Stands Together initiative, the Commission recommends the Council requires departments to look at data currently held on stakeholder groups and interested parties that are regularly consulted with – including but not limited to statutory consultees –as part of an “Equal Voices” audit. Where there are gaps in representation, across all the protected characteristics, this should be recorded and a plan developed to increase participation. Particular attention should be paid to Black, Asian and minority ethnic participation, along with disability status, sex and age.
  - The Commission recommends that the Cabinet member for Equalities establishes closer links with business improvement districts (BIDs) and business groups in Southwark to help strengthen engagement and connection between business and residential communities, and improve coordination and expertise sharing on equalities matters.
8. It is for the cabinet to decide whether or not to accept the scrutiny commission's recommendations.

9. Overview and scrutiny procedure rule 15.3 requires the cabinet to consider and provide a written response to the report within two months.

#### BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Education and Local Economy Scrutiny Commission agenda and minutes – 22 February 2021	Southwark Council Website	Everton Roberts 020 7525 7221
<b>Link:</b> <a href="https://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=550&amp;MId=6898&amp;Ver=4">https://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=550&amp;MId=6898&amp;Ver=4</a> (see item 5)		

#### APPENDICES

No.	Title
None	

#### AUDIT TRAIL

<b>Lead Member</b>	Cllr Peter Babudu, Chair, Education and Local Economy Scrutiny Commission	
<b>Lead Officer</b>	Doreen Forrester-Brown, Director of Law and Governance	
<b>Report Author</b>	Everton Roberts, Head of Scrutiny	
<b>Version</b>	Final	
<b>Dated</b>	4 June 2021	
<b>Key Decision?</b>	No	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments Included</b>
Director of Law and Governance	No	No
Strategic Director of Finance and Governance	No	No
<b>Cabinet Member</b>	No	No
<b>Date final report sent to Constitutional Team</b>		7 June 2021

<b>Item No.</b> 15.	<b>Classification:</b> Open	<b>Date:</b> 15 June 2021	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Report of the Education and Local Economy Scrutiny Commission: Children’s Experience and Education during the Covid-19 Pandemic	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Education and Local Economy Scrutiny Commission	

## RECOMMENDATIONS

1. That the cabinet note the education and local economy scrutiny commission report on children’s experience and education during the Covid-19 pandemic, Appendix A.
2. That the cabinet considers the recommendations from the education and local economy scrutiny commission and request that the relevant cabinet member reports back to cabinet within eight weeks.

## BACKGROUND INFORMATION

3. The Commission investigated the impact of Covid-19 on children in respect of education and mental wellbeing. The commission heard from headteachers, young people and the cabinet member responsible for children, and officers from within the education department and community engagement.
4. The education and local economy scrutiny commission agreed its report for referral to cabinet at its meeting held on 20 April 2021 (subject to minor amendments).

## KEY ISSUES FOR CONSIDERATION

5. The education and local economy scrutiny commission has made 5 recommendations to cabinet which are set out in the recommendations section of the scrutiny commission report (pages 10 and 11).
6. It is for cabinet to decide whether or not to accept the scrutiny commission’s recommendations.
7. Overview and scrutiny procedure rule 15.3 requires cabinet to consider and provide a written response to the report within two months.



**BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
Education and Local Economy Scrutiny Commission Agendas and Minutes 2020/21	Southwark Council Website	Fitzroy Williams 020 7525 7102
Link: <a href="https://moderngov.southwark.gov.uk/ieListMeetings.aspx?Committeed=550">https://moderngov.southwark.gov.uk/ieListMeetings.aspx?Committeed=550</a>		

**APPENDICES**

<b>No.</b>	<b>Title</b>
Appendix A	Education: Children's Experience and Education during the Covid-19 pandemic

**AUDIT TRAIL**

<b>Lead Member</b>	Councillor Peter Babudu, Chair, Education and Local Economy Scrutiny Commission (Report author of the commission report)	
<b>Lead Officer</b>	Doreen Forrester-Brown, Director of Law and Governance	
<b>Report Author (covering report)</b>	Everton Roberts, Head of Scrutiny	
<b>Version</b>	Final	
<b>Dated</b>	4 June 2021	
<b>Key Decision?</b>	No	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments Included</b>
Director of Law and Governance	No	No
Strategic Director of Finance and Governance	No	No
<b>Cabinet Member</b>	No	No
<b>Date final report sent to Constitutional Team</b>		7 June 2021

## APPENDIX A

# Education: Children’s Experience and Education during the Covid-19 pandemic

Report of the Education and Local Economy Scrutiny Commission – May 2021

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## Executive summary

The Covid-19 pandemic has had a fundamental impact on all parts of society, including on children. Whilst children have proven to be less affected by the virus physically, the emotional impact and interruption to education caused by the pandemic may have a lifelong impact, permanently affecting children's life chances.

Socioeconomic and structural factors have also meant that Covid-19 has had a disproportionate impact on children from disadvantaged backgrounds, particularly where remote schooling is concerned, with some children not having the equipment, access and space that would enable them to easily learn from home. These inequalities risk further increasing the educational attainment gap between richer and poorer pupils. The information received through our scrutiny review shows that, whilst there are real areas for improvement, schools, the Council, and other agencies have been proactive throughout the pandemic in responding to the challenges faced in delivering distanced learning whilst ensuring the wellbeing of children.

Our review into children's experiences and education during the Covid-19 pandemic, conducted during a short municipal year (due to the pandemic), has captured the views and experiences of headteachers, young people and also input from the cabinet member responsible for children and officers.

Our recommendations are focused on mental health, wellbeing and catchup and have been arrived at taking into account information received throughout the scrutiny review and other sources generally available online, particularly in relation to mental health which is an area that we have not received any direct detailed evidence on. At the end of this report are links to a number of articles and documents that provide detailed information on aspects of the impact of the Covid-19 pandemic that are not covered by this report, such as children at risk, and financial hardship.

**Note:** Changing circumstances and developments in relation to Covid-19 since the commencement of our review, including the easing of lockdown, improved test and trace, vaccine roll-out, school and local authority interventions such as allocation of laptops and provision of internet to pupils who have needed them, work around mental health support, and overall better preparedness to manage the virus has meant that some of the evidence gathered through our sessions are no longer as relevant or have become less of an issue. Some of this information has still been included in the report for background and context.

## Summary of recommendations

The Commission's full recommendations are included in Part 4 of this report.

## **Mental health**

**Recommendation 1:** The Commission recommends that the Council looks at additional steps to address the expected mental health crisis amongst children and young people, in particular whether the Council can **support**:

- the rollout of outreach support from the Nest to primary schools
- Additional support for peer-led mental health approaches
- Teachers who seek mental health support.

## **Wellbeing**

**Recommendation 2:** The Commission recommends that the Council supports efforts to:

- Ensure young people get early and sufficient access to public spaces as they reopen, particularly libraries
- Agree access to green space in public schools
- Provide additional opportunities for extra-curricular activities for children who have missed out on these over the various lockdowns.

## **Catch-up**

**Recommendation 3:** The Commission recommends that the Council advocates for schools to take an evidence-informed approach to any catch-up activity and ensures young people's voices are heard in approaches taken.

**Recommendation 4:** The Commission recommends that the Council provide more transparent structures and outputs from its task and finish group focused on narrowing the attainment gap and sharing what works in this area.

**Recommendation 5:** The Commission recommends that the Council updates its Digital Strategy and relevant priorities to ensure that households with school-age children have access to high-speed fixed-line or mobile connectivity (and where still relevant, sufficient devices) to enable them to make the most of digital learning approaches.

## Part 1: Introduction and background

### The national picture

1. The Covid-19 pandemic has had an unprecedented impact on the whole country and government policies with advice from Public Health England to manage the virus have meant that restriction of movement has been in place for over a year, impacting on the ability for schools to continue to provide education and support to children and young people.
2. Underneath the blanket nationwide restrictions, local circumstances and the local response will have made a significant difference to the degree in which children's education have been impacted. Well-resourced schools in areas with low social deprivation have been in a better position to adapt and respond to virtual schooling, allowing for continued learning and less interruption to the education of its pupils. Conversely, schools in areas of higher social deprivation will have faced more challenges and barriers including to pupils' ability to learn outside of the normal school environment, factoring in problems with many pupils' home environments as well as broader socioeconomic factors impacting on individual households.

### The local picture

3. The Council has been working with schools and other agencies to mitigate the impact of Covid-19 on the educational system and schools. Activity to date has ranged from support with securing devices through to helping schools interpret national policy, from making adaptations to the physical space around schools to looking at what steps can be taken to narrow the attainment gap.

### *Council commitments*

4. Included in the refreshed Borough Plan (agreed in November 2020) under the theme Great Start in Life ("GSL") are commitments in connection with educational attainment and mental health and wellbeing, these are:
  - Support schools to close the attainment gap and ensure children can catch up on education missed during Covid-19 (GSL1)
  - Support 100% of children and young people with a diagnosable mental health need (GSL2).
5. The milestones associated with commitment GSL1 in the Borough Plan performance schedules are:
  - Attainment and learning gaps identified by schools and RAG-rated ((red, amber, green rated; a rating of the current state of affairs) for all pupils who are, or who have fallen behind.
  - Online learning platform continuing professional development offered to all schools that need it.

- All schools have identified pupils without hardware or internet access.
  - Work with Regional Schools Commissioner to gather information about academies and promote online / remote learning via school communications.
6. The measures associated with commitment GSL<sub>1</sub> are:
- Number of maintained schools tracking attainment gaps and providing appropriate intervention.
  - Number of maintained schools ready to provide remote learning.
7. The milestone associated with commitment GSL<sub>2</sub> is:
- Work with Southwark NHS CCG to implement the recommendations of the Southwark Joint Review of Child and Adolescent mental Health and Emotional Wellbeing Services in Southwark.
8. The measures associated with commitment GSL<sub>2</sub> are:
- Ensure that Council funding for Child and Adolescent Mental Health Services (CAMHS) is protected and increased in line with inflation.
  - Improved emotional wellbeing amongst children and young people through an investment in universal and targeted services.
  - Emotional Health and Wellbeing Support Services in Southwark Schools – number and percentage of schools
  - Parental Support Services – support satisfaction survey

## **Part 2: What we did**

9. July 2020 meeting – The Commission interviewed Councillor Jasmine Ali the then, cabinet member for Children, Schools and Adult Care on Council activity in connection with children returning to school.
10. October 2020 meeting – The Commission received an update from Councillor Jasmine Ali the then deputy leader and cabinet member for Children, Young People and Schools, on Council activity in respect of children returning to school. The Commission also heard from headteachers, Cassie Buchanan and Helen Ingham; Suley Muhidin, communities projects officer; and Sydney and Peter, Southwark Young Advisors.
11. January 2021 meeting – The Commission heard from children/young people from Anima Youth on their experiences of education through the pandemic. The Commission also considered a written submission from Matt Jones, chair of Southwark Association of Secondary Headteachers.

12. February 2021 meeting – The Commission drafted its initial recommendations for consultation with the deputy leader and cabinet member for children, young people and education.
13. March 2021 meeting – The Commission received feedback from Councillor Jasmine Ali, deputy leader and cabinet member for Children, Young People and Education on the Commission’s initial draft recommendations.
14. April 2021 meeting – The Commission heard further from school children based in Southwark.

### **Part 3: What we found**

This section provides a summary of the key takeaways from the Commission’s evidence sessions held between October 2020 and April 2021.

#### **Cabinet member’s perspective**

15. The Council had widened pavements and closed some streets in order to help schools implement new ways of working in light of Covid-19. The Council purchased laptops and delivered to disadvantaged children due to delay in government issuing laptops. Following the allocation of the laptops from government it was found that more were still needed.
16. Schools had prepared carefully for welcoming pupils back and had a significant focus on mental health and wellbeing as part of the enhanced PHSE curriculum. A free mental health service had been opened by the Council online and a drop in service became available to schools in August 2020 (the Nest).
17. School children for primary, nursery and secondary schools returned to school at the beginning of September with an attendance rate of around 90%, higher than anticipated. Parents were cautious around coughs and colds, but these concerns were being addressed by schools, clinical assessments and GP referrals. Schools were following up on absences, calling and visiting homes along with early help back to school teams and social workers. Attendance monitoring was also being undertaken by the Department for Education through daily submissions and information reported back weekly.
18. There had been an increase in parents opting for home education – schools were working hard to dissuade parents from this option. In light of ongoing concerns in this area, the Council has committed additional resources to increase officer capacity.
19. The failure to successfully introduce test and trace and lack of testing centres in 2020 meant that some teachers had to travel long distances in order to get tested, removing them from the teaching environment. The need to self-isolate if members of their household had tested positive for Covid-19 also had significant impact on

teacher availability and school resources due to the need to employ standby teachers adding to the stress and strain of the teaching environment.

20. A Task and Finish Group has been set up by the lead cabinet member to look at the attainment gap and what has been working in schools, with a view to sharing that information.

### **Headteachers' perspective**

21. Disparities that already existed within and across schools had become more pronounced during the pandemic and children who are very well supported at home would continue to rise at a greater pace in contrast to children who do not have holistic support.
22. A challenge for schools was how to give school leaders the headspace and capacity to do the school improvement work as well as keeping schools open.
23. There is an increasing number of children joining reception with diagnosed or undiagnosed special needs, particularly autism. Due to Covid-19 parents had not been able to utilise the organisations that would usually be available, or have access to the networks that they might have had access to previously to direct them to the right type of school to meet their children's needs.
24. Wellbeing of staff and leadership is a key challenge for schools – staff had been impacted by an increased workload, needing to manage teaching in class as well as providing home learning for children who were unable to physically attend school. There was a personal impact on teachers and their experiences around their own mental health or mental health of their families needed to be acknowledged. One of the main challenges of schools was staff absence either because of their own symptoms or household symptoms, particularly multiple occupancy households which typically affected younger teachers who live with many other people.

### **Perspectives and experiences of young people**

25. Education, mental health and future employment are central concerns for young people. A key challenge for many young people is the issue of space, particularly during lockdown, some having to share bedrooms with siblings or have no access to a garden. Access to a laptop or computer was also identified as an issue, whilst many young people may have smartphones, the same amount do not necessarily have exclusive access to a laptop / computer. This had posed a real challenge around accessing education.
26. There were also issues around young people transitioning from secondary school to higher education / aspirations to go to university. Particularly with concerns around receiving a poor quality education/university experience in the context of Covid-19, not being able to receive the full university experience and personal development



that comes with going off to university. This situation has led to some young people deciding to put further education on hold.

27. Physical space away from the home environment is needed to enable young people to be able to build on their aspirations. Through the lockdown period young people had to be more innovative and resourceful and required space to pursue creative interests such as music, arts and crafts.
28. Self-confidence of some pupils preparing for A-levels had been lost due to them not having the GCSE exam experience. It had also been a challenge reverting back to the pre-Covid-19 work ethic that had been lost during lockdown. For some students, adapting to the shifting environment between virtual learning and returning to school was also a major challenge.
29. Young people have missed out on opportunities that would have normally been afforded them as a lot of projects that would usually be available had to be put on hold.
30. We heard from a group of young female pupils that had worked with Anima Youth, a local charity, who shared their experiences of education and returning to school. We also heard from additional Southwark students to supplement the evidence that the Commission received via Anima Youth's service users. Some of the comments and issues expressed by the pupils are set out below:
  - The way a school responds to the pandemic and communicates with pupils has an impact on how well pupils respond to change. The experience of pupils was mixed in this regard, and some pupils we heard from did attend schools in other boroughs.
  - Some pupils felt that schools were not taking into consideration pupil's personal circumstances in their expectations about home-working
  - Pupils felt they were having to teach themselves and then receiving homework on top of this
  - Several pupils were having to deal with issues like poor Wi-Fi or insufficient/absent broadband, resulting in children falling behind on work
  - Some pupils felt that the quality of some lessons had gone down significantly, and their education would benefit from even limited in-person classes/workshops to "troubleshoot", should there be another lockdown in the future
  - Uncertainty regarding whether pupils would be taking exams had caused anxiety, as had children not knowing what their grades were going to be based on
  - Pupils praised some schools that had encouraged students to talk about mental health and agreed peer-led mental health support could be helpful.
31. Pupils were asked about the idea of repeating the year if the situation had got back to normal by September 2021. All the pupils expressed concern of having to repeat the year, with expressions of feeling left behind in life, of already having missed lots of

content even though online learning had been provided with concern about being able to retain what had been learnt due to preference in learning styles i.e., learning better in a classroom setting. The thought of have to repeat a year was not appealing, and there was a desire for a fresh start at university at the expected age of 18.

32. We asked students whether they felt the schools were doing much to prepare them for transition and whether they felt able to properly plan. The response from the pupils was mixed with some pupils feeling kept well informed and others feeling that the next step had been neglected within their school.
33. We asked the students what they felt most anxious about in terms of going back to school. The pupils indicated that they were anxious about whether they were going to get the desired grades, whether they were going to have to start making applications and personal statements when they hadn't fully had a normal 6<sup>th</sup> form experience. One student felt it would be helpful if there was a structured plan setting out the required focus on academics and on next steps and that this should be planned out with students so that they could mentally prepare themselves. It was also suggested that schools provide revision resources and rehearse content again as it was felt that content being taught during lockdown would not be retained as well.
34. Pupils suggested that should lockdowns be needed in the future, they would greatly prefer some sort of partial lockdown where schools are allowed to open periodically to provide pupils with some in-person support on topics or matters that they are struggling with in a remote context,, rather than having schools fully closed to pupils who are not deemed vulnerable or to be the children of key workers.
35. Pupils also suggested that some adaptations that have arisen during the Covid pandemic would be good to maintain, such as the use of Google Classroom as a tool for assigning homework, which the pupils we spoke to preferred.

### **Summary of perspectives**

36. Overall, the key issues identified across these sessions were:
  - Releasing headspace for school leaders to enable them the capacity to focus on school improvement tasks.
  - Supporting student transitions, including SEN (from nursery to apprenticeships) getting them ready for the next stage – what is there in Southwark to support students.
  - Linking schools into networks (local and national) to enable the sharing of best practice and planning
  - The provision of a physical space(s) for young people who are not able to focus at home and need a space for extra and independent learning (libraries were closed at the time of this session, but do continue to have limited access).

- Provision of online virtual learning spaces to enable students to be able work together and in-person troubleshooting sessions in the case of any future lockdowns.
- Provision of reliable home broadband connections to facilitate virtual learning
- Management of place planning and support to parents/carers (particularly in relation to SEN), so that parents are picking the right school for their child, especially whilst parents/carers are not able to visit schools due to the pandemic.
- Ensuring any approach to catch-up for students does not increase the strain on pupils, and emphasises extracurricular activity too.

## Part 4: Recommendations

### Mental health

37. **Recommendation 1:** The Commission supports the Council's efforts to better support the mental health of children and young people as outlined in submissions to the Commission and the announcements in February's Council Assembly. **The Commission recommends that the Council looks at additional steps to address the expected mental health crisis amongst children and young people**, in particular whether the Council can **support**:
- **the rollout of outreach support from the Nest to primary schools** as well as secondary schools
  - **Additional support for peer-led mental health approaches** (e.g. peer counselling and mental health first aid training) in schools
  - **Teachers who seek mental health support**, and aid efforts to ensure that teachers do not have any mental health support sought via the school or otherwise flagged on their records.

### Wellbeing

38. **Recommendation 2:** The Commission recommends that the Council supports efforts to:
- **Ensure young people get early and sufficient access to public spaces** as they reopen, particularly libraries
  - **Agree access to green space in public schools** for Southwark's children and more generally ensure young people have sufficient access to green space and outdoor activities
  - **Provide additional opportunities for extra-curricular activities for children** who have missed out on these over the various lockdowns.

### Catch-up

39. **Recommendation 3:** The Commission recommends that the Council advocates for schools to take an evidence-informed approach to any catch-up activity and ensures young people's voices are heard in approaches taken. The Commission

recommends the Council seeks to understand children's concerns that intense catch-up activity over the summer could put further strain on students and should not be done at the expense of providing children with opportunities to take part in additional extracurricular activity. This is particularly important given that children that such social experiences have been missed as a result of the pandemic and would otherwise play an important role in supporting children's mental health and wellbeing.

40. **Recommendation 4: The Commission recommends that the Council provide more transparent structures and outputs from its task and finish group focused on narrowing the attainment gap** and sharing what works in this area.
41. **Recommendation 5: The Commission recommends that the Council updates its Digital Strategy and relevant priorities to ensure that households with school-age children have access to high-speed fixed-line or mobile connectivity (and where still relevant, sufficient devices) to enable them to make the most of digital learning approaches.** The Commission acknowledges the fantastic efforts of schools and the Council to address immediate access and device needs of students across the borough. However, the pandemic has highlighted an important new front for the Council's evolving approach to digital inclusion which will need sustained long term focus.

## Acknowledgements

The Chair would like to thank the Head of Scrutiny, Everton Roberts for providing invaluable support to the Commission in its investigations and assisting with the drafting of this report; as well as to all the officers and lead cabinet member, Cllr Jasmine Ali, who provided a wealth of helpful information to the Commission; and all of the people who spoke to the Commission. In particular the Chair extends his thanks to the children who spoke to the Commission and openly shared the effect that the Covid-19 pandemic has had on their education and wellbeing. Finally, the Chair would also like to give a special thank you to all of the Commission members for their ongoing commitment to improving the lives of Southwark's children; to Cllr Anood Al-Samerai, the Vice-Chair of the Commission; and to the reserve members who were particularly active in our investigations this year: Cllr Radha Burgess, Cllr Jason Ochere and Cllr Humaira Ali.

**Cllr Peter Babudu**

Chair, Education and Local Economy Commission

## **Appendix 1: List of interviewees and contributors**

### **Commission members**

Councillor Peter Babudu (Chair)  
Councillor Anood Al-Samerai (Vice-Chair)  
Councillor Karl Eastham  
Councillor Eleanor Kerslake  
Councillor Richard Leeming  
Councillor Eliza Mann  
Councillor Michael Situ  
Martin Brecknell (co-opted member – Education)  
Lynette Murphy-O'Dwyer (co-opted member – Education)  
Nicole Gordon (co-opted member – Business)  
Councillor Humaira Ali (Reserve member)  
Councillor Radha Burgess (Reserve member)  
Councillor Jason Ochere (Reserve member)

### **Other Council contributors**

Councillor Jasmine Ali  
Nina Dohel, Director of Education  
Jenny Brennan  
Suley Muhidin, Communities Projects Officer (Young People Lead)  
Southwark Young Advisors, Peter and Sydney  
Everton Roberts, Head of Scrutiny  
Alfred Hamilton, Intern, Scrutiny Team

### **Other contributors**

Cassie Buchanan, Headteacher  
Helen Ingham, Headteacher  
Matt Jones, Headteacher  
Anima Youth (staff and service users)  
Southwark students

## Appendix 2: Links to Identified online articles

*The Children's Society: Impact of Covid-19 on Children and Young People -*  
<https://www.childrenssociety.org.uk/sites/default/files/2021-01/the-impact-of-Covid-19-on-children-and-young-people-briefing.pdf>.

*BBC article -* <https://www.bbc.co.uk/news/health-55863841>

*LSE report on the effect of school closures -*  
<https://cep.lse.ac.uk/pubs/download/cepCovid-19-001.pdf>

*Impact on Children's Mental Health -*  
<https://www.mentalhealth.org.uk/publications/impacts-lockdown-mental-health-children-and-young-people>

*Concerns over Children Becoming Less Active -*  
<https://www.theguardian.com/sport/2021/mar/05/survey-shows-uk-parents-concern-over-Covid-effect-on-childrens-activity>

*BBC Understanding the impact of Covid-19 on children and young people -*  
<https://www.bbcchildreninneed.co.uk/wp-content/uploads/2020/11/CN1081-Impact-Report.pdf>.

*BBC How Covid-19 is Changing the World's Children -*  
<https://www.bbc.com/future/article/20200603-how-Covid-19-is-changing-the-worlds-children>.

<b>Item No.</b> 16.	<b>Classification:</b> Open	<b>Date:</b> 15 June 2021	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Report of the Education and Local Economy Scrutiny Commission: Revitalising Southwark's High Streets and Town Centres	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Education and Local Economy Scrutiny Commission	

## RECOMMENDATIONS

1. That the cabinet note the education and local economy scrutiny commission report on revitalising Southwark's high streets and town centres, Appendix A.
2. That the cabinet considers the recommendations from the education and local economy scrutiny commission and request that the relevant cabinet member reports back to cabinet within eight weeks.

## BACKGROUND INFORMATION

3. The Commission investigated the impact of the Covid-19 pandemic on businesses and the future of Southwark's high street and town centres. The commission heard from expert witnesses concerned with revitalising high streets and representatives connected with Southwark Chamber of Commerce. The commission also heard from the cabinet member(s) and officer responsible for local economy.
4. The education and local economy scrutiny commission agreed its report for referral to cabinet at its meeting held on 20 April 2021 (subject to minor amendments).

## KEY ISSUES FOR CONSIDERATION

5. The education and local economy scrutiny commission has made a number of recommendations to cabinet which are set out in the recommendations section of the scrutiny commission report (pages 8 and 9).
6. It is for cabinet to decide whether or not to accept the scrutiny commission's recommendations.
7. Overview and scrutiny procedure rule 15.3 requires cabinet to consider and



provide a written response to the report within two months.

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Education and Local Economy Scrutiny Commission Agendas and Minutes 2020/21	Southwark Council Website	Fitzroy Williams 020 7525 7102
Link: <a href="https://moderngov.southwark.gov.uk/ieListMeetings.aspx?Committeeld=550">https://moderngov.southwark.gov.uk/ieListMeetings.aspx?Committeeld=550</a>		

## APPENDICES

No.	Title
Appendix A	Local Economy: Revitalising Southwark's High Streets and Town Centres

## AUDIT TRAIL

<b>Lead Member</b>	Councillor Peter Babudu, Chair, Education and Local Economy Scrutiny Commission (Report author of the commission report)	
<b>Lead Officer</b>	Doreen Forrester-Brown, Director of Law and Governance	
<b>Report Author (covering report)</b>	Everton Roberts, Head of Scrutiny	
<b>Version</b>	Final	
<b>Dated</b>	4 June 2021	
<b>Key Decision?</b>	No	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments Included</b>
Director of Law and Governance	No	No
Strategic Director of Finance and Governance	No	No
<b>Cabinet Member</b>	No	No
<b>Date final report sent to Constitutional Team</b>		7 June 2021

# Local Economy: Revitalising Southwark's High Streets and Town Centres

Report of the Education and Local Economy Scrutiny Commission – May 2021

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## Executive summary

This report summarises the Commission's investigation into the impact of the Covid-19 pandemic on businesses and the future of our High Streets and Town Centres. It recognises that our high streets have been seeing significant reduction in footfall for a number of years with an increased trend towards online shopping, that has accelerated due to the pandemic and subsequent lockdowns.

There have been numerous detailed studies and ongoing work around the importance, challenges and benefits of high streets and town centres which provide invaluable information and recommendations around suggested approaches to the sustainability of healthy functioning high streets and town centres, which we are sure will feed into the development of the Council's action plan. Our report therefore does not attempt to replicate that.

The focus of the report, produced during a short municipal year (due to the Covid-19 pandemic), is limited to the findings from our evidence gathering sessions and seeks to provide the cabinet/cabinet member with a number of practical suggestions by way of recommendations that we think should be factored into the development of the Council's action plan.

We had expected at the beginning of the scrutiny review to have had the benefit of considering the Council's action plan for the revitalisation of high streets and town centres. However due to subsequent lockdowns, there has been a delay in the development of the action plan due to resources in the local economy team needing to be focussed on the continued direct support to businesses through the allocation of grants. We note however that once the action plan starts to be developed that it will be submitted to the Commission for input.

It is hoped that the recommendations arising from our initial investigation will assist in the delivery of the Council's aim in revitalising high streets and town centres as part of its Renewal and Recovery Plan.

The information gathered through our evidence sessions and other sources point towards the Council having a pivotal role to play in the future success of our high streets, a move towards increased community ownership and a greater focus of health and wellbeing on the high streets.

## Summary of recommendations

The Commission's full recommendations are included in Part 4 of this report.

### Mapping

**Recommendation 1:** The Commission recommends the Council maps Southwark's various local economies as part of the implementation of its economic renewal plan.

## Ownership and Landlords

**Recommendation 2:** The Commission recommends that the Council actively explores supporting new community ownership structures. To practically support this, the Commission recommends the Council reviews its existing asset portfolio with a focus on identifying which assets present the strongest case for going into community ownership.

**Recommendation 3:** The Commission recommends that the Council explore early involvement with the GLA's nascent Landlords' Charter as a means of getting private developers and landowners to support more community-led activity.

## Innovation

**Recommendation 4:** The Commission recommends the Council take a more active role in finding creative new uses for the high street, with an explicit focus on place making that creates community wellbeing spaces and a greater health focus for high streets and town centres.

**Recommendation 5:** The Commission recommends that the Council ensures that the funding from Arts Council England has been used effectively and restarts work on a "Cultural Compact", creating a strategic partnership between the borough's cultural and creative industries, education providers and the health sector to drive forward the Council's recovery plans.

**Recommendation 6:** The Commission notes the immense impact that measures related to the pandemic are having on young people and **supports the Council's commitment to maximising apprenticeship opportunities and using initiatives like the Southwark Pioneers Fund to support young entrepreneurs.**

**Recommendation 7:** The Commission recommends that the Council also explores:

- **Creating incubator hubs on high streets to showcase and support new and diverse economic uses such as social enterprises**
- **Making targeted funds available to support high streets in lieu of funds such as the High Street Challenge. These funds should be explicitly focused on helping businesses reconfigure and test new innovations in response to shifting trends in high streets and town centres.**

## Part 1: Introduction and background

### The national picture

1. It is well documented that high streets and town centres have for some time been in steady decline through the development of out of town shopping and more recently the move towards online shopping. This decline is forcing a rethink on the role of town centres and for high streets if they are to continue to be beneficial to the businesses and resident populations they serve.
2. There has been a cumulative problem with footfall since the last recession, if not before, with footfall down 20.5%, between 2010 and 2013. Footfall was down 64% in 2020 (partly due to lockdown), and is unlikely to return to pre-pandemic levels due to habits formed during the lockdown.
3. Online shopping in particular has seen a steady rise between 2007 and 2019 and due to pandemic it has reached a share of consumer spending that was not predicted to occur until 2030. There have been large numbers of store closures across the country occurring at an accelerated rate compared to pre-pandemic predictions. Retail vacancies of 10.3% in 2019, rose to 13.2% in 2020. Shopping centre vacancies are at 16.3% as of January 2021. 750 multiples (i.e. chain stores) closed in January 2021. The position for retail will be further impacted when the government's furlough scheme comes to an end with an anticipated increase in high street store closures.<sup>1</sup>
4. A [High Streets Task Force](#) was established in 2019 by the national government to provide support to local leaders in town centres and high streets in England. The task force focuses on supporting places to redefine their high streets and town centres, and on helping places navigate the effects of Covid-19, including through resources such as a Covid-19 Recovery Framework.
5. There have been numerous detailed research studies into the issue of high streets and town centres, for which documents and articles have been published online. Links to some of that research is included at the end of this report.

### The local picture

6. In Southwark, footfall is significantly down in some areas with estimates as high as 50%, particularly where areas are reliant on office based workers such as Bankside. Occupancy rates of hotels and impact on hospitality sector and consumer facing businesses, such as pubs, restaurants and gyms have been significantly impacted.
7. There is concern over rising redundancies, particularly in the hospitality sector, and through businesses downsizing due to less space requirements or to reduce costs. There are also concerns coming from businesses on whether they will be able to continue due to long periods where businesses have not seen customers at levels they

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<sup>1</sup> Source – Ben Stephenson, Place making consultant and Expert for the High Streets Task Force

are used to and need in order to survive. There are also concerns around employee wellbeing.

8. Evidence suggests that some businesses have thrived during the pandemic through an increase in people shopping local. Other initiatives that have been implemented locally, such as the introduction of 'low traffic neighbourhoods' throughout the borough, have impacted different businesses in positive and negative ways according to local businesses.
9. There are also potential challenges for high streets and town centres from changes in legislation. There is concern that the impact of permitted development rights legislation could see commercial properties being lost to residential where empty properties arise on our high streets, fundamentally changing the nature of the high street in ways that may accelerate its decline.

### *Council commitments*

10. The Council committed in its March Council Assembly meeting to develop a dedicated cross-Council Town Centres and High Streets Framework that will inform the broader economic renewal plan. The intention is that this Framework will help to deliver the Council Plan commitment to "Help Southwark's high streets to be thriving and vibrant, seeking to achieve full occupancy and encourage residents to shop local". The intention is that the Framework will align with all other council plans and strategies with relevance to town centres, high streets and neighbourhoods, as well as to "Southwark Stands Together"; the Council's response to the Black Lives Matter movement and longstanding racial inequalities in and beyond the borough.
11. Beyond this most recent commitment there are several commitments relevant to high streets included in the refreshed Borough Plan (agreed in November 2020) under the theme Green and Inclusive Economy (GIE), including:
  - Help Southwark's high streets to be thriving and vibrant, seeking to achieve full occupancy and encourage residents to shop local (GIE5)
  - Develop a night-time economy plan to ensure Southwark's rich nightlife flourishes post COVID (GIE14).
12. The measures associated with commitment (GIE5) in the Borough Plan performance schedules is to develop a coordinated cross-Council action plan that will support the development of thriving and vibrant high streets and town centres
13. The milestones associated with commitment (GIE5) are the number of empty shop units on Southwark high streets and in Council buildings; vacancy rate for shops on Southwark high streets; and exploring options for measuring data on local town centre use with partners such as business improvement districts (BIDS) and the GLA

14. The milestone associated with commitment (GIE14) is as part of the work developing the Town Centres and High Streets Action Plan, develop a cross-Council plan to develop Southwark's Night Time Economy.

## Part 2: What we did

15. July 2020 meeting - The Commission interviewed the cabinet member for Jobs, Business and Innovation on the Council's response to supporting business resilience in response to Covid-19 at the July 2020 meeting.
16. October 2020 meeting - Co-opted a business spokesperson for the 2020/21 year, Nicole Gordon, Chief Executive of Better Bankside Business Improvement District, received a briefing from the strategy and partnerships manager and the cabinet member for Jobs, Culture and Skills on the development of a proposed action plan for the revitalisation of high streets and town centres.
17. January 2021 meeting – Heard from expert witnesses, Power to Change an independent charitable trust that supports and develops community businesses in England and Ben Stephenson, Place making Consultant, High Street Task Force expert and BIDs advisor.
18. February 2021 meeting – The Commission drafted its initial recommendations for consultation with the Cabinet Member for Communities, Equalities and Neighbourhoods.
19. March 2021 meeting – Received a verbal update from cabinet member for Communities, Equalities and Neighbourhoods on progress of the development of the high streets and town centres action plan and feedback on the Commissions initial draft recommendations.
20. April 2021 meeting – The Commission heard from several businesses that are members of the Southwark Chamber of Commerce. Businesses spoke about the impacts on Southwark's high streets and town centres of the pandemic, and the changing needs and expectations of the public in light of the pandemic.

## Part 3: What we found

The Commission's main findings fell into three main areas, mapping, ownership and landlords, and innovation:

### Mapping

21. The briefing from the strategy and partnerships manager and the cabinet member for Jobs, Culture and Skills identified that mini local economies exist that are not included in the New Southwark Plan (Retail and Town Centre Uses, December 2019), which sets out the Council's approach to retail and town centre uses. It was explained

that the locations included in the New Southwark Plan would be the starting point and that other local economies would be identified as part of a separate exercise.

22. We felt it important that a mapping exercise is undertaken to capture these mini local economies, to ensure that we develop a comprehensive understanding of how the diversity of the borough is reflected in its economy and that they are factored into the Council's economic renewal plan.

### **Ownership and Landlords**

23. The presentation from Power to Change made the case for greater community ownership, demand for which is increasing across the country and signalled the need for local authorities to adopt the role as curator of town centres and linking communities to vacant properties, and for there to be greater transparency of the ownership of some high street properties as some of the time it was unclear who owned some of the vacant properties. Assets are at the core of the business model and is central to community businesses.
24. Local authorities are not the only stakeholders and there is a rising recognition among developers and property owners, as reflected by contributions to the Commission from members of the Southwark Chamber of Commerce, including British Land, that they need to diversify if they are to increase footfall and continue to receive rent on property that they own in high streets and town centres. One of the key ways of doing this is through the introduction of diverse community businesses, such as art centres, community pubs and other places offering creative activities. There are already some community businesses in Southwark, such as the Ivy House pub in Nunhead which is "London's first co-operatively owned pub", the Ceramics Studio Co-op in Bermondsey, or the community-owned London Mutual Credit Union which has two branches in Southwark (in Peckham and the Walworth Road).
25. An initiative being developed is 'the Good Landlords Charter' which is around thinking about how private developers and landowners can really support local community led activity.

### **Innovation**

26. Increasingly people are looking to high streets and town centres to provide an experience that cannot be matched online. The "destination space" that drives people to the high street is really important and there is a role for the Council to play in convening discussions around local places.
27. The Commission noted that development of Southwark's Cultural Compact, launched with the help of funding from Arts Council England, had to be paused due to the pandemic. However, other boroughs that had received similar funding have re-launched their efforts, revisiting emerging models in light of the impact of Covid-19. The Commission is concerned that Southwark may lose the funding from Arts Council England if work on our Cultural Compact does not recommence soon.



## Part 4: Recommendations

### Mapping

28. **The Commission recommends the Council maps Southwark's various local economies as part of the implementation of its economic renewal plan,** ensuring we develop a comprehensive understanding of how the diversity of the borough is reflected in its economy

### Ownership and Landlords

29. Building on previous recommendations from this Commission, **the Commission recommends that the Council actively explores supporting new community ownership structures.** To practically support this, the Commission recommends the Council reviews its existing asset portfolio with a focus on identifying which assets present the strongest case for going into community ownership.
30. **The Commission recommends that the Council explore early involvement with the GLA's nascent Landlords' Charter as a means of getting private developers and landowners to support more community-led activity.**

### Innovation

31. The Commission supports the Council's existing efforts to support high streets and town centres, both through its emerging economic renewal plan and existing policies e.g. on encouraging beneficial meanwhile uses of vacant property. **The Commission recommends the Council take a more active role in finding creative new uses for the high street, with an explicit focus on place making that creates community wellbeing spaces and a greater health focus for high streets and town centres.**
32. The Commission notes that Southwark Council was one of a small number of councils to receive funding from Arts Council England to establish a Cultural Compact, but unlike other councils has paused work on its compact during the pandemic. The Commission notes that other councils who have received funding from ACE are continuing to develop their compacts and are using them as vehicles to co-ordinate their recovery from Covid-19. **The Commission recommends that the Council ensures that the funding from Arts Council England has been used effectively and restarts work on a "Cultural Compact", creating a strategic partnership between the borough's cultural and creative industries, education providers and the health sector to drive forward the Council's recovery plans.**
33. The Commission notes the immense impact that measures related to the pandemic are having on young people and supports the Council's commitment to maximising apprenticeship opportunities and using initiatives like the Southwark Pioneers Fund to support young entrepreneurs.

34. The Commission recommends that the Council also explores:

- **Creating incubator hubs on high streets to showcase and support new and diverse economic uses such as social enterprises**, especially those led by young people and others disproportionately impacted by the pandemic
- **Making targeted funds available to support high streets in lieu of funds such as the High Street Challenge**, which have been spent down during the emergency response to supporting business through Covid. **These funds should be explicitly focused on helping businesses reconfigure and test new innovations in response to shifting trends in high streets and town centres.** This should involve the following:
  - Enabling the borough's high streets to increase their use of digital products and services to reach new customers
  - Improving digital and physical connections and accessibility to high streets and urban centres that enable local businesses to reach new and diverse audiences
  - Ensuring that the borough's high streets are connected to high speed fixed-line or mobile broadband
  - Enable the borough's retail, hospitality and leisure sectors to develop green, low-carbon and low-emission delivery services using electric vehicles or similar
  - Ensuring that the borough's high streets become attractive shopping destinations to encourage local footfall and support active travel – aligned with the Council's low-traffic strategies
  - Enabling the establishment of new spaces or animation of existing spaces that improve the local experience and support health, wellbeing and social interaction.

## Acknowledgements

The Chair would like to thank the Head of Scrutiny, Everton Roberts for providing invaluable support to the Commission in its investigations and the drafting of this report; all the officers who gave a frank account of current Council ambitions in this area; and the many people and organisations who spoke to the Commission at great length about the current state of high streets and town centres in Southwark and beyond. The Chair would also like to thank all of the Commission members for their commitment to ensuring Southwark's high streets and town centres can well serve the changing needs of Southwark's population in the coming years. Finally the Chair would like to extend special thanks to Nicole Gordon, who agreed to be co-opted to the Commission to provide additional local business expertise, greatly improving the quality of the Commission's work; to Cllr Anood Al-Samerai, the Vice-Chair of the Commission; and to our particularly active reserve members, Cllr Radha Burgess, Cllr Jason Ochere and Cllr Humaira Ali.

**Cllr Peter Babudu**

Chair, Education and Local Economy Commission

## **Appendix 1: List of interviewees and contributors**

### **Commission members**

Councillor Peter Babudu (Chair)  
 Councillor Anood Al-Samerai (Vice-Chair)  
 Councillor Karl Eastham  
 Councillor Eleanor Kerslake  
 Councillor Richard Leeming  
 Councillor Eliza Mann  
 Councillor Michael Situ  
 Martin Brecknell (co-opted member – Education)  
 Lynette Murphy-O'Dwyer (co-opted member – Education)  
 Nicole Gordon (co-opted member – Business)  
 Councillor Humaira Ali (Reserve member)  
 Councillor Radha Burgess (Reserve member)  
 Councillor Jason Ochere (Reserve member)

### **Other Council contributors**

Councillor Stephanie Cryan, Cabinet Member for Jobs, Culture and Skills  
 Councillor Alice Macdonald, Cabinet Member for Communities, Equalities and Neighbourhoods  
 Danny Edwards, Strategy and Partnerships Manager / Head of Local Economy  
 Everton Roberts, Head of Scrutiny  
 Alfred Hamilton, Intern, Scrutiny Team

### **Other contributors**

Nick Plumb, Power to Change  
 Ben Stephenson, Place making Consultant, High Street Task Force expert and BIDs advisor  
 Southwark Chamber of Commerce (following the April meeting)

## Appendix 2: Links to Identified online articles

*Build Back Better* - <http://www.vanishinghighstreet.com/wp-content/uploads/2020/06/Grimsey-Covid-19-Supplement-June-2020.pdf>

*New Life for the High Street* - <https://www.smf.co.uk/publications/new-life-for-the-high-street/>. Full report - <https://www.smf.co.uk/wp-content/uploads/2020/07/New-life-for-the-high-street-July-2020.pdf>

*Democratic by Design: A new Community Wealth Building Vision for the British Economy After Covid-19* - <https://www.common-wealth.co.uk/reports/democratic-by-design>.

*How to Make Cities More Liveable After Covid-19* - <https://www.ft.com/content/d7c6cdc6-5e5c-47bd-bc3f-1719953c2ef0>

*Create New 'Health Hubs' for High Streets After the Pandemic* - <https://www.smf.co.uk/create-new-health-hubs-for-high-streets-after-the-pandemic/>

*LSE 'High Streets for All'* – [http://eprints.lse.ac.uk/85315/1/high\\_streets\\_for\\_all\\_report\\_web\\_final.pdf](http://eprints.lse.ac.uk/85315/1/high_streets_for_all_report_web_final.pdf).

*'Community Ownership Key to Survival of Britain's High Streets'* <https://www.powertochange.org.uk/news/community-ownership-key-survival-britains-high-streets/>.

<b>Item No.</b> 17.	<b>Classification:</b> Open	<b>Date:</b> 15 June 2021	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Motions Referred from Council Assembly	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Council Assembly	

## RECOMMENDATION

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

## BACKGROUND INFORMATION

2. Council assembly at its meeting on Wednesday 24 March 2021 agreed several motions and these stand referred to the cabinet for consideration.
3. The cabinet is requested to consider the motion referred to it. Any proposals in a motion are treated as a recommendation only. When considering a motion, cabinet can decide to:
  - Note the motion; *or*
  - Agree the motion in its entirety, *or*
  - Amend the motion; *or*
  - Reject the motion.

## KEY ISSUES FOR CONSIDERATION

4. In accordance with council assembly procedure rule 2.10.6, the attached motions were referred to the cabinet.
5. The constitution allocates responsibility for particular functions to council assembly, including approving the budget and policy framework, and to the cabinet for developing and implementing the budget and policy framework and overseeing the running of council services on a day-to-day basis.
6. Any key issues, such as policy, community impact or funding implications are included in the advice from the relevant chief officer.

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Council agenda	Report on the council's website	Virginia Wynn-Jones Constitutional Team 020 7525 7055
<b>Link:</b> <a href="https://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=132&amp;MId=6775&amp;Ver=4">https://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=132&amp;MId=6775&amp;Ver=4</a>		

## APPENDICES

Number	Title
Appendix 1	Southwark's Economic Renewal: creating a fair, equal and inclusive local economy
Appendix 2	Bringing back Trams to Southwark
Appendix 3	International Women's Day
Appendix 4	The Union Learning Fund
Appendix 5	Sustainable future funding for Local Welfare Assistance
Appendix 6	End Male Violence against Women and Girls

## AUDIT TRAIL

<b>Lead Officer</b>	Chidilim Agada, Head of Constitutional Services	
<b>Report Author</b>	Virginia Wynn-Jones, Principal Constitutional Officer	
<b>Version</b>	Final	
<b>Dated</b>	7 June 2021	
<b>Key Decision?</b>	No	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments sought</b>	<b>Comments included</b>
Strategic Director of Finance and Governance	No	No
Director of Law and Democracy	No	No
Strategic Director of Children's and Adults' Services	No	No
<b>Cabinet Member</b>	No	No
<b>Date final report sent to Constitutional Team</b>		7 June 2021

**APPENDIX 1****Southwark's Economic Renewal: creating a fair, equal and inclusive local economy**

## 1. Council Assembly notes:

- a. That Covid-19 continues to have a significant impact on employment in the borough, with nearly 44,000 Southwark residents now unemployed or furloughed.
- b. Southwark businesses - especially those in retail, hospitality and leisure - and their supply chains have been adversely impacted by lockdown and tier restrictions. Footfall across UK high streets fell 88% in 2020 compared to 2019, according to the High Streets Task Force.
- c. The impact of Covid-19's economic fallout has not been felt equally; according to the Trade Union Congress (TUC) Covid-19 has caused an unemployment rate amongst black, Asian and minority ethnic workers which is double that of white workers.
- d. Young people have also been hit particularly hard, with those under 25 in the UK over twice as likely to have lost their job due to the pandemic as over 25s.
- e. On top of this, adapting to Brexit – from new trade rules to a narrowing workforce - poses more issues and difficulties for Southwark businesses.

## 2. Council Assembly further notes:

- a. Southwark Council has responded quickly and effectively to deliver a total of £94m grant funding to local businesses throughout the pandemic.
- b. Southwark Council was the first local authority to set up a Discretionary Hardship Fund to support businesses who were not eligible for Government funding during the first lockdown, distributing £2.1m of council funding.
- c. The creation and implementation of an Economic Renewal Plan by the council will ensure that businesses, high streets and town centres are able to recover from the pandemic and becoming thriving centres for our communities.
- d. That the council has created a New Youth Deal to provide support and opportunities for young people in securing jobs, apprenticeships and internships.
- e. That Southwark has committed to a Green New Deal to create 1,000 jobs in green and sustainable industries.
- f. That the council's work on Southwark Stands Together is being successfully integrated into our work supporting employment and businesses. For example, 84.5% of clients supported into work through Southwark Works are from black, Asian or minority ethnic backgrounds.



- g. As part of our commitment to supporting the development of thriving town centres and high streets, detailed cross-council Town Centre Action Plans are being developed.
- h. Southwark Council is the first local authority in London to be accredited as a Living Wage Place, expanding the amount of employers paying the real Living Wage across the borough.

3. Council Assembly further notes:

- a. The government's incompetence, and failure to act fast enough to support businesses who were not eligible for statutory grant funding, leading to an estimated 250,000 small businesses (with fewer than 50 staff) set to fold this year, according to the Federation of Small Businesses.
- b. That the government has provided little or no support to 10% of the UK workforce - especially freelancers, the newly self-employed and those working in creative industries - yet can afford to spend £2bn on contracts with Conservative Party donors and friends of MPs.<sup>1</sup>
- c. The government's failure to give adequate notice to businesses who were required to close during lockdown, especially during the early months of the pandemic.
- d. The government's dithering and stalling in the extension of the furlough scheme, resulting in waves of unnecessary redundancies.

4. Council Assembly calls on Cabinet to:

- a. Continue to support businesses with grant funding through both the Local Restrictions Grants and the Additional Restrictions Grants.
- b. Continue to work with partners to shape the economic renewal Southwark needs.
- c. Establish a Community Wealth Building partnership to ensure that local communities benefit from the economic renewal of the Borough.
- d. Undertake a review of business support to ensure that future business support in Southwark is targeted at the businesses and entrepreneurs that need it most.
- e. Support businesses to mitigate the impact of Brexit by providing them with the information they need and helping them to navigate the new legislative requirements.
- f. Continue to drive forward the Southwark Green New Deal, and lobby government to provide the upskilling and training needed for residents to manage the transition into zero carbon and sustainable jobs, particularly in areas such as construction, transport and manufacturing.

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<sup>1</sup> A report by the National Audit Office has shown that £10.5bn of Covid-19 contracts before 31 July 2020 were awarded without a proper tender process. 'Covid-19: Government has spent billions on contracts with little transparency, watchdog says' <https://www.bmj.com/content/371/bmj.m4474> The Labour Party has claimed that the amount of these contracts which are linked to Conservative Party donors and acquaintances of MPs totals £2bn: <https://news.sky.com/story/covid-19-labour-calls-for-government-to-crack-down-on-the-cronyism-over-2bn-coronavirus-contracts-12212275>

- g. Call on government to address the disparities in Covid-19 support schemes and remove all exclusions for the 3 million workers currently excluded.

## Bringing back Trams to Southwark

1. Council Assembly notes that:
  - a. The Croydon Tramlink has been running for around twenty years and is considered a success. Studies found that 19% of Croydon Tramlink passengers switched from cars, there was £1.5 billion inward investment into the area due to its development and that it is liked by all sections of the community.<sup>2</sup> This piece of infrastructure took only six years to build at a cost of £200m.
  - b. In the last three years, TfL calculated that a potential Sutton tram extension would cost around £425m and could commence service by the mid-2020s.<sup>3</sup> Although this work was paused in July 2020, TfL stated that if “new funding opportunities emerge then the case for taking the scheme forward will be reviewed.”
  - c. Edinburgh City Council plans to expand its own tram infrastructure by 2030. This will form part of its ‘City Mobility Plan’ to deliver a net zero carbon transport system, which was approved in February 2021.
  - d. Greater Manchester’s Metrolink trams produce half as much (54 grams) of carbon emissions per passenger kilometre compared to buses (99 grams) and cars (123 grams) since around 70% of the Metrolink system is powered by green electricity generated by wind, solar, water and the rest from recycled waste sources.<sup>4</sup>
  - e. Southwark’s commitment to expanding public transport in the borough is motivated by the Climate Emergency and a need to challenge the default culture of car travel. Improving public transport in Southwark will make it as easy as possible for residents to lower their carbon footprint, and to this end the council has already begun exploring low carbon transport improvements with partners, including a tram system, rapid bus routes and continuing to work with the community on the campaign to reopen Camberwell station.
  - f. The council’s plans for a Low Traffic Borough places emphasis on modal shift towards walking and cycling, but also recognises the role of public transport in reducing reliance on cars.

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<sup>2</sup> <https://publications.parliament.uk/pa/cm200405/cmselect/cmtran/378/378we06.htm>

<sup>3</sup> <https://consultations.tfl.gov.uk/trams/sutton-link/>

<sup>4</sup> <https://tfgm.com/public-transport/tram/metrolink-and-the-environment>



## International Women's Day

1. Council Assembly notes that:
  - a. 8 March marked International Women's Day – a day to celebrate the political, social and economic advancement of women while recognising the urgent need for further action. The theme was 'Women in leadership – achieving an equal future in a Covid-19 world'.
  - b. In Southwark and across the UK, women have been on the frontlines of the Covid-19 response in many ways as care workers, health workers, community activists, as teachers and as leaders. We must celebrate and support their leadership.
  - c. But, Covid-19 has also had a devastating impact on women across the UK. It has exacerbated already shockingly high levels of domestic violence. The economic impact has been incredibly harsh as women are more likely to be in low paid work and to be more reliant on childcare and social care, which have all been affected by the pandemic.
  - d. Nationally, women have also not been adequately represented in decision-making, meaning gendered aspects have been missed.
2. Council Assembly further:
  - a. Pays tribute to past and present female pioneers - from politicians to community activists to women working in essential services - across the borough who have fought for greater women's rights and transformed their communities and all those women who have fought over the last year against Coronavirus.
  - b. Welcomes the policies and actions already implemented by Southwark Council to advance women's rights, including: the first ever Violence against Women and Girls Strategy, lobbying to make misogyny a hate crime, the Women's Safety Charter, the Sanctuary scheme, the Ethical Care Charter, investment in services from healthcare and housing to education, and the appointment of a Cabinet Member with specific responsibility for women's rights and a Deputy Cabinet Member for Domestic Abuse.
  - c. Welcomes the commitment in the Annual Workforce Equalities Plan to review and refresh current parental, adoption and carers' leave provisions to ensure they are best practice.

- d. Welcomes action to advance economic equality, including becoming the first local authority to receive accreditation as a Living Wage Place, asking all our contractors with more than 50 employees to publish their gender pay gap and encouraging all Southwark businesses with more than 50 employees to publish their Black, Asian, minority ethnic, and gender pay gaps.
  - e. Recognises that we all have a responsibility as individuals, councillors and in the communities we serve, to advance gender equality, for example: encouraging more women to stand for elected office, to take up community leadership positions, supporting measures to secure gender balanced leadership or calling out gender discrimination wherever we see it.
3. Council Assembly calls on Cabinet to:
- a. Ensure that a gendered approach to both the Covid-19 response and recovery is taken, ensuring that women's voices and experiences are heard and shape the recovery, and to commit to working with partners to capture disaggregated data.
  - b. Support key stakeholders to influence and enrich our council's planning and policy frameworks to reflect the needs and lived experience of women and children in regards to housing, development and infrastructure improvements.
  - c. Work with Community Southwark to support the establishment of a Southwark Community Women's Forum.
  - d. Take proactive measures to encourage women to stand for elected office and support them when they are elected. This could include:
    - i. Providing all councillors with training on the legal protection available against online and offline abuse and harassment.
    - ii. Supporting local government calls for legislation to permit local councils to retain the option of remote attendance as standard practice for councillors at official council meetings including committee meetings, Council Assembly, officer briefings and committee agenda setting meetings, and putting in place the necessary technology including remote voting. Covid-19 has shown that the use of technology can enable greater participation, especially from women.
  - e. Continue to raise awareness and encourage action to tackle violence against women and girls, including working with schools to address sexual harassment, extending the Domestic Abuse Housing Alliance accreditation to council housing

resident services and encouraging other major landlords to also seek accreditation.

- f. Review how to improve and strengthen its work and commitments to promote gender equality as part of the Council's refreshed Equality Framework.
- g. Ask the Constitutional Steering Panel to review current parental and carers' leave policies and working practices for councillors.
- h. Ask the Audit, Governance and Standards committee to review the current code of conduct to ensure it adequately addresses gender bias, sexism and discrimination.

## The Union Learning Fund

1. Council Assembly notes that:
  - a. On Tuesday 6 October, the Trade Union Congress (TUC) received a letter from the Department for Education saying that ministers have decided to end the Union Learning Fund from March 2021.
  - b. The Union Learning Fund (ULF) was set up in 1998 under the last Labour Government to support trade unions to widen access to learning and training in workplaces for both union members and non-members. The fund supports workplace projects across England, and is coordinated by the TUC.
  - c. Each year around 200,000 workers are supported into learning or training with union support through the ULF and the TUC, including many Southwark residents via their workplaces. These learners undertake all sorts of job-relevant learning and training, including basic literacy and numeracy, ICT skills, apprenticeships and traineeships, vocational training, continuing professional development and many other informal and formal courses.
  - d. In 2019–20, the ULF was worth £12m. If upheld, this decision will effectively end union-brokered skills training, and will undermine key government skills and retraining priorities at a crucial moment for our economy.
2. Council Assembly understands that:
  - a. Union learning reaches people that other Department for Education programmes do not reach.
  - b. There is an independent evaluation of the Union Learning Fund every two years. It was most recently evaluated by the University of Exeter in 2018. They spoke to 2,459 learners, and found:
    - i. Over two-thirds (68 per cent) of learners with no previous qualifications got a qualification.
    - ii. 47 per cent of those with entry level or level 1 qualifications got a qualification at a higher level.
    - iii. Four in five (80 per cent) said they had developed skills that they could transfer to a new job.
    - iv. Two in three (62 per cent) said their new skills made them more effective in their current job.
    - v. One in five (19 per cent) said they had been promoted or given increased responsibility and one in 10 (11 per cent) got a pay rise.



- c. The 2018 independent evaluation found that union learning provided excellent value for money:
    - i. For every £1 spent on the Union Learning Fund, there is a return of £12.30: £7.60 to the worker, £4.70 to the employer.
    - ii. The Union Learning Fund delivers an estimated net contribution to the economy of more than £1.4bn as a result of a boost to jobs, wages and productivity.
    - iii. The return to the exchequer (through reduced spending on welfare benefits and other factors resulting from the boost to jobs and wages) is £3.57 for each £1 spent on the Union Learning Fund.
    - iv. The £12m government funding levered in an additional £54m from employers, unions and training providers in 2019–20.
  - d. The government has said it will put reskilling workers at the heart of its economic recovery plans after the pandemic. In September 2020, the government announced a new fully funded entitlement to achieve a first level 3 qualification, delivered through the National Skills Fund. Union learning is ideally placed to support this aspiration, in the following ways:
    - i. directly, through delivering relevant level 3 courses to workplace learners, which is already a core function of the Union Learning Fund and was assessed as highly effective by the 2018 independent evaluation;
    - ii. directly, through enabling those with basic skills to learn and develop, putting them in a position to progress to level 3 skills.
  - e. Successive governments of all parties have valued this role – and have supported the Union Learning Fund. As government funding, it is paid as a contract and is subject to stringent monitoring requirements. Union Learning Fund money can only be spent on the direct costs of getting working people into learning and skills training, and the associated costs of delivering this programme.
  - f. ULF projects adapted quickly to delivering online learning and training for workers during the pandemic and have actually surpassed the number of outcomes expected by government since the beginning of April.
3. Council Assembly therefore resolves to:
- a. Express its public support for the continuation of the Union Learning Fund.

- b. Raise this issue with our local MPs and encourage them to call on the Government to reverse its decision.

### Sustainable future funding for Local Welfare Assistance

1. This Council notes that:
  - a. Until 2013, emergency financial assistance was principally provided by central government, through the Discretionary Social Fund.
  - b. From 2013, the government implemented wholesale reform of the Discretionary Social Fund. Some parts were kept, however, the coalition government abolished Crisis Loans (other than Alignment Payments) and Community Care Grants.
  - c. Responsibility for *emergency financial assistance* was devolved to the local level and funding transferred to local authorities in England on a non-ring-fenced basis, with the intention that they establish their own Local Welfare Assistance (LWA) Schemes to support local people facing a crisis.
  - d. The Government then decided that from 2015/16 onwards there would be no separate LWA funding stream. Instead, it would become part of the general Revenue Support Grant that central government provides to councils to support their spending on any local services.
  - e. In the intervening years, with reduced overall funding for councils, a lack of guidance from central government, and the absence of a statutory requirement for local authorities to deliver emergency financial assistance, local authorities faced difficult decisions about funding and maintaining LWA schemes. In many areas, local welfare provision was either significantly reduced or closed completely.
  - f. Despite this, Southwark Council has retained its own LWA schemes (Southwark Emergency Support Scheme, or SESS, and a separate Hardship Fund).
  - g. In 2020/21, in response to significant levels of need during the COVID-19 pandemic, Government provided additional funding to English local authorities to deliver emergency financial assistance. £63million was provided through the Local Authority Emergency Assistance Grant for food and essential items, whilst a further £170million was provided through the COVID Winter Support Grant. Southwark Council received £1.5m in total.
  - h. This funding, whilst welcome, has had to cover a wide range of needs beyond just LWA, including provision through our

Community Hub, community grants to support food security and the provision of free school meals during school holidays. The Council will have spent significantly more responding to COVID and providing emergency support with food and other essentials than it has received from government.

- i. The Council has since April 2020 provided 4,553 individuals and families with support through the emergency support scheme not including the additional support through the community hub or free school meals, totalling £1.45m.
2. This Council believes that:
- a. As a result of the COVID-19 pandemic and its economic impacts, we can expect there to be significant ongoing need for emergency financial assistance, with many Southwark households, including many families with children, likely to face a 'financial crisis' point – a financial problem which puts the immediate health and wellbeing of family members at risk.
  - b. Adequately resourced, local authorities are uniquely well placed to support residents facing financial crisis, with LWA schemes central to that support. Run well, LWA schemes draw on the existing knowledge that councils have of need in their communities, alongside the relationships they hold with local voluntary and community sector partners. The experience of the pandemic has clearly demonstrated the value of the Council's scheme – providing emergency short term support with the cost of essentials for thousands of households that were already vulnerable before experiencing a financial shock due to sudden loss, or interruption to income.
  - c. Whilst local authorities have other mechanisms such as Discretionary Housing Payments and Local Council Tax Support Schemes to support low income households, Covid-19 has demonstrated how important it is for councils to have the capacity to deliver timely and discretionary emergency support to households reaching crisis point.
  - d. Central government should therefore provide sustainable, long-term funding for local welfare assistance- to give councils the confidence and certainty that they need to develop an effective local welfare offer.
3. This Council, therefore, resolves:
- a. To maintain its Local Welfare Assistance Scheme, including both SESS and the Hardship Fund, to support residents facing financial crisis.

- b. To use effective communications and engagement to increase awareness of these schemes and to train voluntary sector organisations to support resident referrals.
- c. To campaign for permanent restoration of a central government funding allocation to meet costs of Local Welfare Assistance schemes from 2021/22, and for that funding to be protected in real terms over the following years.
- d. To write to the Chancellor, the Secretary of State for Housing, Communities and Local Government and Secretary of State for Work and Pensions to request that they make such a funding allocation available to local authorities.

## End Male Violence against Women and Girls

Council Assembly notes:

1. That the murder of Sarah Everard has launched a wave of anger and protests across the country.
2. Blessing Olusogun's death remains unexplained.
3. Nicole Smallman and Bibaa Henry were killed after meeting friends in a park.
4. That 118 women have died this year as a result of gendered violence.
5. Reports from the vigil held at Clapham Common show police officers using excessive force against women.

Council Assembly further notes:

6. The detrimental impact that violence against women and girls (VAWG) by men has on individual women, their dependents, their communities and society as a whole.
7. Women from Black, Asian and Minority Ethnic backgrounds, deaf and disabled women, and LGBT+ women are even more likely to experience harassment, discrimination and abuse. Women from diverse backgrounds experience abuse differently and male power is used against them differently.
8. Women living in poverty are particularly vulnerable to experiencing violence and face disproportionate challenges in accessing the necessary support to make them safe. Lack of access to secure housing, precarious employment, difficulty accessing social security and poverty work to keep women in abusive situations.
9. There are on average 12 'honour killings' every year in the UK, where women are killed due to the belief that they have brought shame or dishonour upon their family.
10. Street harassment and violence against women and girls is endemic in the UK:
  - a. 80% of women of all ages have been sexually harassed in public, with 90% of these women not reporting it as they don't believe it will make a difference
  - b. 97% of young women have been sexually harassed, with 96% not reporting it due to the same reasons above
  - c. One in two women are sexually harassed in the workplace
  - d. One in three women will experience domestic violence in their lifetime
  - e. One in five women will be raped in their lifetime
  - f. Two women a week are killed by a current or former partner (this rose to three a week during lockdown), and three women a week take their own lives following domestic abuse.

11. Women who report rape have a 3% chance of it ever being heard in court. Most women who survive domestic violence do not receive justice from the criminal justice system.

Council Assembly remembers:

12. All the women in Southwark and across the country who have died as a result of the violence of men, and all the survivors of gender-based and domestic violence.

Council Assembly notes:

13. That Southwark Council has campaigned previously to make misogyny a hate crime, so we welcome the announcement that all police forces in England and Wales are to log incidents motivated by misogyny from this Autumn.
14. Southwark continues to be one of the highest funders of VAWG provision in London, with an investment of more than £900,000 annually.
15. Southwark will expand the number of venues signed up to and will ask existing signatories to recommit to the Women's Safety Charter, and report regularly on the difference it has made - sending a clear message that female harassment will not be tolerated.
16. Southwark goes beyond the existing legal domestic abuse framework by implementing a policy to give automatic 'priority need' status to domestic abuse victims approaching as homeless - this is in advance of the new Domestic Abuse Bill that now requires this of all councils. This policy removes the barrier some victims face accessing emergency housing and the full housing duty.
17. Southwark council recently developed a cross-party 'Open Door' Project in which schools, children's centres and GP centres are able to offer domestic abuse survivors a safe space in which to access support.
18. Southwark has invested in Independent Domestic Violence Advocates (IDVA), including an IDVA role co-located within Housing Solutions service.
19. Southwark delivers workshops and works with communities to discuss Female Genital Mutilation (FGM) and its effects with survivors.

Council Assembly believes:

20. That male violence against women and girls is part of a broader culture of misogyny in society.
21. Perpetrators of serious violence usually have a history of inflicting abuse and harassment against other women and girls. Tackling violence against women and girls means dismantling this culture.
22. The seeds of violent behaviour are often sown at a young age and if the right interventions are not made in time then the problem continues to perpetuate.
23. It also means tackling other forms of discrimination and the economic system that further enables abuse against women and girls.

24. The Police and Crime Bill currently making its way through parliament will potentially silence the right to protest in a meaningful or impactful way, or for women to be heard on this issue in an impactful way.
25. That a justice system that allows one of the most heinous crimes to be effectively decriminalised is not fit for purpose. Sustained cuts to all elements of the justice system, as well as institutional misogyny, mean that crimes against women and girls that are reported are not effectively investigated by the police. The decision to fail to resource this work is a political choice.

This Council resolves to:

26. Stand in solidarity with protestors who oppose violence against women, and girls.
27. Do all we can as a council and in our communities to champion the rights and entitlements of women and girls and to tackle violence against them. This includes continuing to invest in vital services, listening and responding to women and girls about the action we need, and calling out misogyny and sexism wherever we see and hear it.
28. Call on the Home Secretary for an urgent, transparent and thorough investigation into the operational policing of the vigil for Sarah Everard which took place on 13 March 2021 and for swift action to be taken.
29. Call for increased investment in the whole justice system when it comes to VAWG.
30. To promote the Our Streets Now campaign to make street harassment a crime, and encourage all elected members, and residents to sign their petition.
31. Call on the government to ratify the Istanbul Convention on preventing and combatting VAWG, to ratify the International Labour Organisation's No.190, recognising the right of everyone to work free from gender based violence and harassment and to make street harassment a criminal offence.
32. Call on the Lambeth and Soutwark Borough Command Unit to prioritise investigating crimes against women and girls and ask them to ensure that women are treated with the required sensitivity.
33. Work with the Lambeth and Southwark Borough Command Unit on improving women's safety in Southwark.
34. Deliver culturally competent services for VAWG which fully serve our diverse population.
35. Educate men through campaigns and bringing in male "allies".
36. Strengthen Safer Neighbourhood ward panels to have agenda items on hate crime incidents and domestic violence.
37. Work with schools and families to tackle toxic masculinity culture.
38. Continue to work with local, London-wide, and national networks working to end violence against women and girls.



<b>Item No.</b> 18.	<b>Classification:</b> Open	<b>Date:</b> 15 June 2021	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Appointments to Outside Bodies 2021-22	
<b>Ward(s) or groups affected:</b>		Not applicable	
<b>From:</b>		Proper Constitutional Officer	

### **RECOMMENDATION**

1. That the cabinet consider and agree appointments to the outside bodies listed in Appendix A of the report for the 2021-22 municipal year.

### **BACKGROUND INFORMATION**

2. Each year the council makes appointments/nominates individuals to outside bodies.
3. Details of all the nominations received for the bodies listed in Appendix A will be published in advance of the cabinet meeting on 15 June 2021.

### **KEY ISSUES FOR CONSIDERATION**

#### **Appointments to outside bodies**

4. It is for the cabinet to affiliate to and appoint representatives to outside bodies where such appointments are a function of the cabinet.
5. Attached as Appendix A is a list of the outside bodies the cabinet are being recommended to consider appointing to for the 2021-22 municipal year.

#### **Legal implications**

6. Appointments to some of the outside bodies may carry risk both corporately and to the individuals appointed. Standards committee at its meeting on 9 November 2011 approved 'Guidance to Members who serve on Outside Bodies' which is intended to help councillors understand their duties when appointed to outside bodies, and how to handle conflicts of interest that may arise. The guidance is available in the Library on the council website.

#### **Community impact statement**

7. The council is being invited to make nominations to various outside bodies. The nominations process has no direct impact on the community.

## Consultation

8. The political group whips have been consulted on the issues contained in the report and have been invited to submit nominations.

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

## APPENDICES

No.	Title
Appendix A	Appointments to outside bodies 2021-22

## AUDIT TRAIL

<b>Lead Officer</b>	Chidilim Agada, Head of Constitutional Services	
<b>Report Author</b>	Paula Thornton, Constitutional Officer	
<b>Version</b>	Final	
<b>Dated</b>	3 June 2021	
<b>Key Decision?</b>	No	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments Included</b>
Director of Law and Governance	No	No
Strategic Director of Finance and Governance	No	No
<b>Date final report sent to Constitutional Team</b>		3 June 2021

## APPENDIX A

## APPOINTMENTS TO OUTSIDE BODIES 2021-22

Name	Purpose	No. of places	Notes
<b>Better Bankside Board</b>	To improve the quality of the Bankside environment, further develop the potential draw of the area, increase the sense of security and ensure that better and sustainable maintenance and management arrangements are put in place.	1	<b>(Regeneration function)</b>  Councillor or officer.
<b>Blue Bermondsey BID Board</b>	<p>To help tackle street crime and anti-social behaviour.</p> <p>To offer access to free recycling services to local businesses.</p> <p>To engage the local community to report on areas of grime to ensure streets stay clean.</p> <p>To work with local business support organisations to try and get local people into jobs.</p> <p>To work with local schools to get young people involved in apprenticeships and works schemes.</p>	1	<b>(Community safety function)</b>
<b>Board of Southwark College Corporation</b>	The college offers a range of provision including short courses, higher education and apprenticeships. The	1	<b>(Job and skills function)</b>

Name	Purpose	No. of places	Notes
	governance of the college is headed by a Corporation Board.		
<b>Browning Estate Management Association</b>	To oversee the management/running of Browning Estate with its own independent budget.	1	<b>(Housing function)</b>
<b>Canada Water Consultative Forum</b>	The forum is responsible for advising on the overall direction of development proposals and ensuring public awareness and involvement in the development proposals.	4	<b>(Regeneration function)</b>
<b>Central London Forward</b>	To provide a cross-sector 'voice for central London'. It operates at a strategic level, seeking to influence policy makers on matters of mutual interest to the communities and businesses of central London.	1	<b>(Regeneration function)</b>  Must be the Leader of the Council.
<b>Centre for Literacy in Primary Education</b>	Professional development and family learning centre. Provides a range of education support, advisory and direct delivery services to schools and families throughout Southwark.	1	<b>(Education function)</b>
<b>Creation Trust</b>	<p>The Creation Trusts key aims are:</p> <ul style="list-style-type: none"> <li>• Engaging the community within the regeneration programme.</li> <li>• Tackling issues around skills and</li> </ul>	3	<b>(Regeneration function)</b>

Name	Purpose	No. of places	Notes
	training, young people and health and wellbeing.		
<b>Cross River Board</b>	To deliver cross-borough regeneration initiatives north and south of the River Thames in the London Boroughs of Southwark and Lambeth, the Corporation of London and the City of Westminster.	1	<b>(Regeneration function)</b>  Usually the leader or cabinet member for regeneration.
<b>Crystal Palace Community Development Trust</b>	Trust set up to oversee the development of the Crystal Palace area.	1	<b>(Regeneration function)</b>
<b>Groundwork London, Local Authority Strategic Input Board</b>	<p>The Local Authority Strategic Input Board enables Local Authorities to shape the strategic direction of Groundwork within Local Authorities by:</p> <ul style="list-style-type: none"> <li>• Advising Groundwork on the regeneration needs of local communities.</li> <li>• Providing input to the development process for projects and programmes.</li> <li>• Developing and maintaining close relationships with elected members and officers of local authorities.</li> <li>• Developing relationships with other key local partners.</li> </ul>	1	<b>(Regeneration function)</b>

Name	Purpose	No. of places	Notes
<b>Guys and St Thomas NHS Foundation (Council of Governors)</b>	<p>To advise the trust on how it carries out its work so that it is consistent with the needs of the members and wider community.</p> <p>The governors:</p> <ul style="list-style-type: none"> <li>• help the trust to carry out its duties in ways that meet with NHS values and the terms agreed with Monitor, the independent regulator for NHS Foundation Trusts</li> <li>• advise the trust on its longer term strategy</li> <li>• provide advice and support to the Board of Directors, who are responsible for the overall management of the trust.</li> </ul>	1	<b>(Health function)</b>
<b>Kings College Hospital NHS (Council of Governors)</b>	<p>Their vision is to become a fundamentally new kind of hospital built around patient need, offering patients the highest quality of care, and to deliver this as part of a joined-up and well-managed healthcare system, built in partnership with GPs and other healthcare providers.</p>	1	<b>(Health function)</b>
<b>London Road Safety Council (LRSC)</b>	<p>To reduce the number of road accident casualties within Greater London and provide a means of communication relating</p>	2	<b>(Community safety function)</b>  Up to two elected members and an officer

Name	Purpose	No. of places	Notes
	to road accident prevention between London local authorities, central government and other organisations.		from road safety education.
<b>London Youth Games Limited</b>	The London Youth Games Limited organise the annual London Youth Games on behalf of the London boroughs. It is a non-profit making company owned and guaranteed by the London boroughs and the City of London Corporation.	1	<b>(Leisure function)</b>  One representative and one deputy.
<b>Millwall For All</b>	<p>The objectives of Millwall for All are:</p> <ul style="list-style-type: none"> <li>• To promote equality and diversity in football and other sports at amateur and professional</li> <li>• To promote awareness of equality and diversity in primary schools in Lewisham and Southwark</li> <li>• To develop active programmes and partnerships designed to promote equality and diversity in football and build community cohesion</li> <li>• To raise funds for equalities programmes</li> <li>• To represent the boroughs of</li> </ul>	1	<b>(Equalities and Diversity function)</b>

Name	Purpose	No. of places	Notes
	<p>Lewisham and Southwark on equalities and diversity in football</p> <ul style="list-style-type: none"> <li>• To publicise the work being done by Millwall Football Club to tackle racism and promote equalities and community cohesion.</li> </ul>		
<b>Newable Limited (formerly Greater London Enterprise Limited)</b>	To assist, promote, encourage and secure the physical and economic development and regeneration of the whole or any part of Greater London.	1	<p><b>(Regeneration function)</b></p> <p>Does not have to be a councillor.</p>
<b>North Southwark Environment Trust</b>	<p>The preservation and conservation of the environment for the benefit of the public, including the promotion of energy efficiency and efficient methods of disposing of waste.</p> <p>The provision of facilities for education, recreation or other leisure time occupation, in the interests of improving the conditions of life of the inhabitants covered by the area of benefit.</p>	1	<p><b>(Environment function)</b></p> <p>Does not have to be a councillor.</p> <p>The area of benefit covered by the trust is north of the roads known as Camberwell New Road, Camberwell Church Street, Peckham Road, Peckham High Street and Queens Road.</p>
<b>Old Vic Board of Trustees</b>	To protect and oversee the council's investment in the Annex, a new community cultural hub for the Old Vic Theatre (which was agreed at cabinet 16 July 2019).	1	<p><b>(Arts and culture function)</b></p>



Name	Purpose	No. of places	Notes
<b>Potters Fields Park Management Trust</b>	Potters Fields Park Management Trust leases the park for events, functions and other activities in order to provide funds for maintenance, and to develop programmes which educate and engage with the community.	2	<b>(Leisure function)</b>  Does not have to be a councillor.
<b>Plastic Free East Dulwich</b>	Working to make East Dulwich a plastic free community with Surfers against Sewage, focusing on working with and engaging local council, community groups, businesses of single-use plastics in the local environment.	1	<b>Ward councillor</b>
<b>Plastic Free Peckham</b>	Working to make Peckham a plastic free community with Surfers against Sewage, focusing on working with and engaging local council, community groups, businesses of single-use plastics in the local environment.	1	<b>Ward councillor</b>
<b>Shared ICT Services Joint Committee</b>	<ul style="list-style-type: none"> <li>• Oversee implementation and delivery of the shared ICT service</li> <li>• Sets key strategic direction and associated activities</li> <li>• Act as arbiter where there is a conflict in either direction or priority of each council</li> <li>• Those matters for which is identified as</li> </ul>	2	<b>(IT function)</b>

Name	Purpose	No. of places	Notes
	responsible for under the Inter-Authority Agreement for the three way shared ICT service.		
<b>South Bank and Waterloo Partnership (previously South Bank Partnership)</b>	Engagement with South Bank employers groups, local MPs and community organisations in North Lambeth and Southwark (Bankside).	4	<b>(Arts and culture function)</b>  One representative and local ward councillors.
<b>South Bank Business Improvement District Ltd</b>	The South Bank BID Board consists of representatives of local organisations and employers within the South Bank area. The board represents the interests of over 160 organisations within the South Bank BID and aims to improve the quality of the area to make South Bank one of the prime areas in the country in which to do business.	2	<b>Cabinet member and ward councillor</b>
<b>South Bermondsey Big Local Partnership Steering Group</b>	The Partnership informs and guides the development and delivery of the BIG Local programme for South Bermondsey and Old Kent Road wards.	2	<b>(Community engagement function)</b>  Currently one Old Kent Road and one South Bermondsey ward councillor.
<b>South London Gallery Trustee Limited</b>	To act as trustees and director of South London Gallery Trustee Ltd (the sole trustee of the South London Fine Art Gallery and Library Trust), which operates the South London Gallery as a public contemporary art gallery. Southwark	3	<b>(Arts and culture function)</b>

Name	Purpose	No. of places	Notes
	Council is a major funder of the gallery but trustees must act solely in the best interests of the charity and are responsible for controlling the management and administration of the charity in line with the governing document.		
<b>South London and Maudsley (SLaM) NHS Trust Members Council</b>	To support the board of directors in setting the longer-term vision for the trust and to influence proposals to make changes to services and to act in a way that is consistent with NHS principles and values and the terms of the trust's authorisation.	1	<b>(Health function)</b>
<b>Southwark and Lambeth Archaeological Excavation committee (SLAEC)</b>	SLAEC is an advisory body established to promote archaeological work in Southwark and to advance the knowledge of the history of Southwark and Lambeth by archaeological investigation.	1	<b>(Leisure function)</b>  One representative and one deputy.
<b>Southwark Construction Skills Centre ("the Centre")</b>	<p>To work together in the delivery of the Southwark Construction Skills Centre ("the Centre").</p> <ul style="list-style-type: none"> <li>• Establish a centre of construction training excellence for the local construction industry</li> <li>• Deliver high quality construction skills</li> </ul>	1	<b>(Regeneration/employment and education function)</b>  Cabinet or deputy cabinet member

Name	Purpose	No. of places	Notes
	<p>training</p> <ul style="list-style-type: none"> <li>• Inspire local school age children to pursue a career in the construction industry</li> <li>• Provide pathways into employment in the construction industry for local people, by increasing the employment and training opportunities in the sector for the borough's residents, as well as helping the local construction industry meet their skills needs</li> <li>• Provide a visible 'front door' to enable local people to find new skills and employment opportunities within the construction sector.</li> </ul>		
<p><b>Safer Neighbourhood Board (Southwark)</b></p>	<p>The role and purpose of the Safer Neighbourhood Board is: to ensure communities are more closely involved in crime reduction and prevention; to have a broad remit to reflect M.O.P.A.C's (Mayor Office for Policing and Crime) broader responsibilities; to have greater reach in community involvement; to achieve greater coherence between different engagement mechanisms and; to make more efficient use of resources to</p>	1	<p><b>(Community safety function)</b></p> <p>Cabinet member with community safety portfolio</p>

Name	Purpose	No. of places	Notes
	deliver value for money and target funds at tackling issues of local concern and crime prevention.		
<b>WeAreWaterloo BID (Business Improvement District)</b>	To create a safer and more pleasant trading environment for businesses and to promote the area to bring in more visitors, whilst maintaining its individuality and unique character.	1	<b>(Regeneration function)</b>  Usually a ward councillor (St. George's).

<b>Item No.</b> 19.	<b>Classification:</b> Open	<b>Date:</b> 15 June 2021	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Nominations to Panels, Boards and Forums 2021-22	
<b>Ward(s) or groups affected:</b>		Not applicable	
<b>From:</b>		Proper Constitutional Officer	

## RECOMMENDATIONS

1. That the cabinet agrees the allocation of places to the panels, boards and forums set out in Appendix A of the report for the 2021-22 municipal year and nominates members accordingly.

## BACKGROUND INFORMATION

2. It is for the cabinet to agree the allocation of places to panels, boards and forums in connection with the functions that are the responsibility of the cabinet.
3. Details of all the nominations received for the panels, boards and forums listed in Appendix A will be published in advance of the cabinet meeting on 15 June 2021.

## KEY ISSUES FOR CONSIDERATION

### Proportionality

4. Appendix A sets out the detail of those, panels, boards and forums for which nominations are required for the 2021-22 municipal year. There is no requirement that appointments to panels, boards and forums are proportionate and in the past, where the allocation of seats has been proportionate, this has been done by local agreement.
5. There is no requirement that a seat allocated to a particular group can only be filled by a member of that group. Therefore, groups have the discretion to allocate seats as they wish, including to a member of another group or an individual councillor.

### Establishment of new bodies

6. Members may wish to establish new bodies or recommend that officers look into changing the status of existing bodies. In relation to the creation of new bodies, Members will need to:

- (i) agree new terms of reference
- (ii) agree the membership and allocation of places
- (iii) consider whether to appoint the chair and vice-chair.

### Community impact statement

7. There are no specific community impact issues arising from the recommendations.

### BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

### APPENDICES

No.	Title
Appendix A	Nominations to Panels, Boards and Forums 2021-22

### AUDIT TRAIL

<b>Lead Officer</b>	Chidilim Agada, Head of Constitutional Services	
<b>Report Author</b>	Paula Thornton, Constitutional Officer	
<b>Version</b>	Final	
<b>Dated</b>	3 June 2021	
<b>Key Decision?</b>	No	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES/CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments sought</b>	<b>Comments included</b>
Director of Law and Governance	No	No
Strategic Director of Finance and Governance	No	No
<b>Date final report sent to Constitutional Team</b>		3 June 2021

## APPENDIX A

### NOMINATIONS TO PANELS, BOARDS AND FORUMS 2021-22

#### JOINT PARTNERSHIP PANEL (TRADE-UNION CONSULTATION)

Summary of Functions	Status	Membership	Politically Proportionate
To provide a member-level trade union consultation forum for dialogue on corporate policy issues and corporate proposals affecting the workforce.	Non statutory	2 Councillors, Human Resources Director, Chief officer team representative, plus accredited Branch Secretaries of Unison, GMB and Unite.	Not applicable (N/a)

Allocation 2020-21	Proposed Allocation 2021-22	Council Appointment	Comments
2 representatives from the cabinet. In 2020-21 the cabinet members were the leader of the council and cabinet member responsible for human resources.	2 representatives from the cabinet	2 Councillors	None



## HOMEOWNERS SERVICE CHARGE ARBITRATION TRIBUNAL

Summary of Functions	Status	Membership	Politically Proportionate
To resolve homeowner service charge disputes from 2014-15 onwards.	Non statutory	1 Independent chairperson 1 Leaseholder representative 1 Councillor (from pool) 1 Independent legal representative	N/a

Allocation 2020-21	Proposed Allocation 2021-22	Council Appointment	Comments
Unlimited	Unlimited	Members to act as pool	Cabinet members are not able to be members of the panel.

## TENANCY AND LEASEHOLD ARBITRATION TRIBUNALS

Summary of Functions	Status	Membership	Politically Proportionate
<p>To resolve certain disputes between secure tenants and the council (landlord) arising from a breach within the terms of the Tenancy Agreement.</p> <p>To resolve disputes between Southwark Right to Buy applicants, Southwark Council leaseholders and Residential Freeholders who pay a service charge to Southwark Council.</p>	Non statutory	1 Independent chairperson 1 Tenant or Leaseholder representative 1 Councillor (from pool)	N/a

Allocation 2020-21	Proposed Allocation 2021-22	Council Appointment	Comments
Unlimited.	Unlimited	Members to act as a pool	Cabinet members are not able to be members of the panel.

### SOUTHWARK SAFEGUARDING ADULTS BOARD

Summary of Functions	Status	Membership	Politically Proportionate
The purpose of the Board is to ensure that adults can live a life free from abuse and neglect.	Statutory	Senior managers from different services and agencies including independent and voluntary sector	N/a

Allocation 2020-21	Proposed Allocation 2021-22	Council Appointment	Comments
Deputy Leader and Cabinet Member for Children, Young People and Education and Cabinet Member for Public Health and Community Safety	Deputy Leader and Cabinet Member for Children, Young People and Education and Cabinet Member for Public Health and Community Safety	2	

## SOUTHWARK SAFEGUARDING CHILDREN'S BOARD

Summary of Functions	Status	Membership	Politically Proportionate
<p>To promote and safeguard the welfare of children.</p> <p>To engage in activities that safeguard all children and aim to identify and prevent maltreatment or impairment of health or development.</p> <p>To ensure that children are growing up in circumstances consistent with safe and effective care.</p> <p>To lead and co-ordinate proactive work that aims to target particular groups and to arrange for responsive work to protect children who are suffering, or likely to suffer significant harm.</p>	Statutory	Senior managers from different services and agencies including independent and voluntary sector.	N/a

Allocation 2020-21	Proposed Allocation 2021-22	Council Appointment	Comments
Deputy Leader and Cabinet Member for Children, Young People and Education and Cabinet Member for Public Health and Community Safety	Deputy Leader and Cabinet Member for Children, Young People and Education and Cabinet Member for Public Health and Community Safety	2	

### STANDING ADVISORY COUNCIL ON RELIGIOUS EDUCATION

Summary of Functions	Status	Membership	Politically Proportionate
To review the existing provision of Religious Education and consider whether any changes need to be made in the agreed syllabus or in support offered to schools. To monitor the provision of the daily collective worship and to consider any action to improve such provision.	Statutory	4 Councillors Plus representatives of local faith groups and Teachers Associations	N/a

Allocation 2020-21	Proposed Allocation 2021-22	Council Appointment	Comments
Labour – 3 Liberal Democrats – 1	Labour – 3 Liberal Democrats – 1	4 Councillors	

### SOUTHWARK TENANT MANAGEMENT ORGANISATION COMMITTEE

Summary of Functions	Status	Membership	Politically Proportionate
To discuss with representatives of TMO's issues of mutual interest.	Statutory	4 Councillors TMO Representatives Cabinet Member for Housing Management and Modernisation	N/a

Allocation 2020-21	Proposed Allocation 2021-22	Council Appointment	Comments
Labour – 3 Liberal Democrats – 1	Labour – 3 Liberal Democrat – 1	4 Councillors and Cabinet Member with responsibility for Housing	

**CABINET AGENDA DISTRIBUTION LIST (OPEN)****MUNICIPAL YEAR 2021-22**

**NOTE:** Original held by Constitutional Team; all amendments/queries to  
[Paula.thornton@southwark.gov.uk](mailto:Paula.thornton@southwark.gov.uk)

Name	No of copies	Name	No of copies
<b>Members (paper copies)</b>		<b>Chief Officer Team - electronic</b>	
Jasmine Ali	1	Eleanor Kelly	
<b>Members - electronic Versions (no hard copy)</b>		Duncan Whitfield	
Kieron Williams		David Quirke-Thornton	
Evelyn Akoto		Michael Scorer	
Helen Dennis		Caroline Bruce	
Stephanie Cryan		<b>Officers – electronic</b>	
Alice Macdonald		Doreen Forrester-Brown	
Darren Merrill		Norman Coombe	
Rebecca Lury		Ian Young	
Jason Ochere		<b>Others - electronic</b>	
Catherine Rose		Louise Neilan	
Ian Wingfield		Paula Thornton, Constitutional Officer	
Victor Chamberlain		<b>Total: 3</b>	
Peter Babudu		<b>Dated: 25 May 2021</b>	
Victoria Olisa			
Gavin Edwards			
Margy Newens			
Leanne Werner			
Jack Buck			
Sarah King			
Ali, Humaira			
Anood Al-Samerai			
<b>Group Offices - electronic</b>			
Joseph Brown, Cabinet Office			
Paul Wendt, Liberal Democrat Group Office			
<b>Press</b>			
Southwark News	1		
South London Press	1		