

Cabinet

Tuesday 14 September 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 Merrill
Councillor Jason Ochere
Councillor Catherine Rose

Portfolio

Leader of the Council
Deputy Leader and Cabinet Member for
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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Contact

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Councillor Kieron Williams

Leader of the Council
Date: 6 September 2021



Cabinet

Tuesday 14 September 2021
11.00 am

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

Order of Business

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PART A - OPEN BUSINESS

MOBILE PHONES

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

1. APOLOGIES

To receive any apologies for absence.

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

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

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

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

4. DISCLOSURE OF INTERESTS AND DISPENSATIONS

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

Item No.	Title	Page No.
5.	PUBLIC QUESTION TIME (15 MINUTES)	
	To receive any questions from members of the public which have been submitted in advance of the meeting in accordance with the cabinet procedure rules. The deadline for the receipt of public questions is midnight Wednesday 8 September 2021.	
6.	MINUTES	1 - 14
	To approve as a correct record the minutes of the open section of the meeting held on 13 July 2021.	
7.	DEPUTATION REQUESTS	
	To consider any deputation requests. The deadline for the receipt of a deputation request is midnight Wednesday 8 September 2021.	
8.	POLICY AND RESOURCES STRATEGY: REVENUE MONITORING REPORT, INCLUDING TREASURY MANAGEMENT 2020-21 (MONTH 4)	15 - 32
	To note the general fund forecast outturn position for 2021-22 and related recommendations.	
9.	POLICY AND RESOURCES STRATEGY: CAPITAL MONITORING REPORT, INCLUDING CAPITAL PROGRAMME UPDATE 2021-22 (MONTH 4)	33 - 59
	To note the forecast outturn and resources for 2021-22 and future years for both the general fund and housing investment programmes, approve the virements and variations to the general fund and housing investment capital programme and related recommendations.	
10.	MARIE CURIE - SAFETY WORKS AND RESIDENT REHOUSING OFFERS	60 - 74
	To note the detailed ongoing resident engagement to date and thank the Marie Curie Resident Project Group (comprising resident volunteers) for their continued work to date.	
	To endorse the offer made to tenants and leaseholders and approve the start of individual negotiations to acquire leasehold interests (lease buy-backs) for those leaseholders who have opted to move permanently from Marie Curie.	

Item No.	Title	Page No.
11.	PUTTING RESIDENTS FIRST STANDARDS REVIEW	75 - 86
	To approve the reviewed operational process: Putting Residents First Standards.	
12.	A HOME TO BE PROUD OF: THE COUNCIL'S APPROACH TO ENSURING RESIDENTS ARE SAFE, SECURE AND COMFORTABLE IN THEIR COUNCIL HOME	87 - 100
	To agree the broad framework for a future asset management strategy.	
13.	HEAT NETWORKS STRATEGY	101 - 121
	To note the work done in preparing a strategy for decarbonising the council's heat networks and agree related recommendations.	
14.	GATEWAY 1 - PROCUREMENT STRATEGY APPROVAL - INSOURCING THE LEISURE SERVICE	122 - 174
	To approve the plan to bring the leisure service back in house following the recommendation of the GW0 report in March 2021.	
15.	GATEWAY 1 - PROCUREMENT STRATEGY FOR THE BOROUGH'S TREE WORKS PROGRAMME	175 - 212
	To approve a competitive tender process to establish tree maintenance and emergency contract(s) with up to three providers for a period of four years with an option to extend for an additional period of up to two years.	
16.	REFRESH OF THE REGULATORY SERVICES ENFORCEMENT POLICY AND THE PRIVATE SECTOR HOUSING ENFORCEMENT POLICY	213 - 225
	To approve the Regulatory Services Enforcement Policy and the Private Sector Housing Enforcement Policy and note changes.	
17.	RESPONSE TO THE EDUCATION AND LOCAL ECONOMY SCRUTINY COMMISSION: REVIEW OF APPROACH TO EQUALITY AND ADOPTION OF THE EQUALITY FRAMEWORK	226 - 235
	To consider the responses to the recommendations in respect of this scrutiny commission report.	

Item No.	Title	Page No.
18.	RESPONSE TO THE EDUCATION AND LOCAL ECONOMY SCRUTINY COMMISSION: EDUCATION: CHILDREN'S EXPERIENCE AND EDUCATION DURING THE COVID-19 PANDEMIC	To follow
	To consider the responses to the recommendations in respect of this scrutiny commission report.	
19.	RESPONSE TO THE EDUCATION AND LOCAL ECONOMY SCRUTINY COMMISSION: LOCAL ECONOMY, REVITALISING SOUTHWARK'S HIGH STREETS AND TOWN CENTRES	236 - 246
	To consider the responses to the recommendations in respect of this scrutiny commission report.	
20.	REPORT OF THE ENVIRONMENT SCRUTINY COMMISSION - AIR QUALITY (PART 2)	247 - 248
	To consider recommendations from the environment and scrutiny commission in respect of air quality (part 2).	
21.	REPORT OF THE ENVIRONMENT AND SCRUTINY COMMISSION - ENVIRONMENT AND PLANNING	249 - 250
	To consider recommendations from the environment and scrutiny commission in respect of environment and planning.	
22.	REPORT OF THE HEALTH AND SOCIAL CARE SCRUTINY COMMISSION - MENTAL HEALTH INEQUALITIES OF BLACK, ASIAN AND MINORITY ETHNIC CHILDREN AND YOUNG PEOPLE	251 - 252
	To consider recommendations from the health and social care scrutiny commission in respect of mental health inequalities of black, Asian and minority ethnic children and young people.	
23.	REPORT OF THE HOUSING AND COMMUNITY ENGAGEMENT SCRUTINY COMMISSION: REVIEW OF COMMUNAL AREAS AND RESIDENT EXPERIENCE ON SOUTHWARK ESTATES	253 - 257
	To consider recommendations from the housing and community engagement scrutiny commission in respect of a review of communal areas and resident experience on Southwark estates.	

Item No.	Title	Page No.
24.	REPORT OF THE HOUSING AND COMMUNITY ENGAGEMENT SCRUTINY COMMISSION: REVIEW OF COMMUNITY HUBS	258 - 260
	To consider recommendations from the housing and community engagement scrutiny commission in respect of a review of community hubs.	
25.	APPOINTMENT TO OUTSIDE BODY - LONDON BRIDGE BID	261 - 263
	To consider and agree to the appointment of a cabinet member to the outside body London Bridge Business Improvement District (BID) for 2021-22.	
	DISCUSSION OF ANY OTHER OPEN ITEMS AS NOTIFIED AT THE START OF THE MEETING	
	EXCLUSION OF PRESS AND PUBLIC	
	PART B - CLOSED BUSINESS	
26.	MINUTES	
	To approve as a correct record the closed minutes of the meeting held on 13 July 2021.	
	DISCUSSION OF ANY OTHER CLOSED ITEMS AS NOTIFIED AT THE START OF THE MEETING AND ACCEPTED BY THE CHAIR AS URGENT	

Date: 6 September 2021



Cabinet

MINUTES of the OPEN section of the Cabinet held on Tuesday 13 July 2021 at 11.00 am at 160 Tooley Street, London SE1 2QH.

PRESENT: Councillor Kieron Williams (Chair)
Councillor Jasmine Ali
Councillor Evelyn Akoto
Councillor Stephanie Cryan
Councillor Helen Dennis
Councillor Alice Macdonald
Councillor Darren Merrill
Councillor Jason Ochere
Councillor Catherine Rose

1. APOLOGIES

An apology for absence was received from Councillor Rebecca Lury.

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

The chair gave notice of the following late items:

- Item 7: Deputation requests
- Item 13: Ledbury Estate Towers update on resident ballot and future redevelopment (and closed item 24)
- Item 14: Tustin Estate Low Rise Re-development Delivery Programme
- Item 15: Gateway 1: Procurement Strategy Approval - Procurement of a Delivery Partner (Developer Contractor) for the Tustin Estate Low Rise Redevelopment Programme.

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

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

There were none.

4. DISCLOSURE OF INTERESTS AND DISPENSATIONS

There were none.

5. PUBLIC QUESTION TIME (15 MINUTES)

Toby O'Connor (public questioner was unable to attend the meeting).

Given the current issues around ball courts, five-a-side pitches and similar spaces across the borough, will the council now build on elements of the climate strategy and the equalities framework to start to construct a positive and robust mechanism for the localised and meaningful engagement of children and young people on play and informal recreation provision?

Response by Councillor Jasmine Ali, Deputy Leader and Cabinet Member for Children, Young People and Education

Southwark Council is committed to listening to young people, and is keen for young people to influence changes to existing facilities, and the provision of new youth facilities. This approach is central to the Youth New Deal, approved by the council assembly in spring 2021. The Youth New Deal sets out a number of commitments, including extending mental health Services, greater support into employment and training, a new Sure Start for Teens programme, an easy-to-use digital information hub, recommissioning youth provision around programmes that young people most want and a new Youth Parliament. Central to the Youth New Deal is a commitment to giving young people greater voice in shaping service provision and more influence in wider council policy and decision-making. Adopting this collaborative, co-produced approach not only puts young people at the heart of decision-making, but, in doing so, also ensures as strong focus on equalities and climate, to complement the council's wider formal equalities and climate processes, which are central to the formal planning processes.

Evidence of success is the recent Quirk's Media Marketing Research and Insight Award the council won, under the non-profit/social enterprise research project category, for the way in which young people had been engaged with during the youth review. The award recognised the comprehensive and innovative engagement exercise, which was shaped and delivered with input from young people. Different methods of engagement were used including collaborative workshops, deliberative discussions and ethnographic fieldwork (where researchers observed and interacted with participants in their real-life

environment to gather an in-depth picture of the lived experience of our young people). A borough wide online survey was also developed based on the responses from the deliberative discussions and ethnographic research. Over 450 young people took part in this engagement exercise (407 via online survey).

The council has also conducted a youth-focused audit of spaces on the Brandon Estate, to understand how to create venues, which meet the needs of young people. This has led to a “toolkit” that will enable other young people and practitioners to review other spaces and places. Consultants “We Made That” worked with young people from the estate to hear about and review the local spaces that they use from their own perspective. The review and toolkit have now been completed alongside a short film made by young people. Recommendations have been issued on potential design interventions for facilities on the estate that would make them young people friendly and provide positive activities and spaces for young people. Officers are looking into options for implementing the recommendations and how the toolkit can be applied to other spaces in the borough. The toolkit could be used, for example, to shape investment in sports facilities, playgrounds and adventure play areas.

Officers will commence a consultation programme to inform the £3m capital investment programme in Adventure Play services later this summer and will deliver engagement activities with schools, young advisers and local families, using the tool kit, to ensure significant involvement from young people in designing services and facilities that meet the needs and aspirations of our young people.

6. MINUTES

RESOLVED:

That the minutes of the meeting of held on 15 June 2021 be approved as a correct and signed by the chair.

7. DEPUTATION REQUESTS

The report had not been circulated five clear days in advance of the meeting. The chair agreed to accept this item as urgent (the requests had been received in line with the council’s constitutional deadline for the receipt of deputation requests).

RESOLVED:

1. That the following deputation requests be heard:
 - Ledbury Residents Project Group (RPG)

- The Tustin Community Association and
 - Extinction Rebellion Southwark.
2. A representative of the Ledbury RPG and Extinction Rebellion Southwark addressed cabinet for five minutes and questions were asked of each deputation for a period of five minutes. The spokesperson for Tustin Community Association was unable to attend and provided a statement that was read to cabinet.

8. CLIMATE CHANGE STRATEGY FOR SOUTHWARK

RESOLVED:

1. That the council's climate strategy and action plan "Tackling the Climate Emergency Together: Our Approach for a Carbon Neutral Southwark by 2030" be agreed.
2. That the progress made so far reducing carbon emissions and taking action to tackle the climate emergency be noted.
3. That officers develop a range of resources to communicate the strategy with residents and to make it accessible to different sections of the community.
4. That officers start delivery of the actions in the strategy and provide an annual report to cabinet on the progress that the borough is making towards its goal.

9. ANNUAL BOROUGH PLAN PERFORMANCE REPORT 2020-21

RESOLVED:

That the council's performance for the financial year 2020-21 against the refreshed Borough Plan, agreed in November 2020 be noted.

10. SOUTHWARK STANDS TOGETHER ANNUAL REPORT

The following were in attendance to give insight to their involvement and feedback to the report:

- Winnie Baffoe, co-director of South London Mission
- Joelle D'Fontaine, At Your Beat (ATB) founder and creator and Nike trainer and
- Makeda Williams-Pinnock, head teacher of Victory primary school.

RESOLVED:

1. That the Southwark Stands Together (SST) annual report (Appendix 1 of the report) be noted.
2. That commitment to SST programme delivery be reaffirmed and that chief officer team, as the senior steering group for the programme, be asked to review activity and next steps to ensure the progress made in the last year is sustained and accelerated.
3. That it be agreed that learning from SST informs the work underway as part of the Southwark equality framework (paper elsewhere on the agenda).
4. That a plan for regular reporting to the community on the work to tackle inequalities through the equalities framework, including annual reporting to cabinet on SST programme delivery be developed.

11. THE SOUTHWARK EQUALITY FRAMEWORK**RESOLVED:**

1. That the Southwark Equality Framework be agreed.
2. That regular reporting to the community on work to tackle inequalities and promote equality more broadly through the Southwark Equality Framework, including reporting back to cabinet on progress in late 2021 be agreed.
3. That the intent in the framework and action plan to undertake a more detailed analysis of inequality in Southwark, develop a clear definition of inequality and identify what our cross council priorities are for closing the gaps it identifies for particular communities across the breadth of council services be noted.
4. That learning from Southwark Stands Together (elsewhere on the agenda) informs the work underway as part of the Southwark Equality Framework be noted.

12. ST JOHN'S WALWORTH CHURCH OF ENGLAND PRIMARY SCHOOL

Roz Cordner (education director of the Southwark Diocesan Board of Education) was in attendance to answer questions. Roz Cordner was able to confirm that it was the intention of the Diocesan Board at this current time (and in the near future) to ensure that the building was used for educational or community provision. As a charity, this is something that could be subject to change in the future.

Cabinet placed on record their thanks to the governors, staff, educational team and

head teacher for their hard work and commitment.

RESOLVED:

That the governing body proposals for the closure of St John's Walworth Church of England Primary School from the 1 September 2021 be approved.

13. LEDBURY ESTATE TOWERS UPDATE ON RESIDENT BALLOT AND FUTURE REDEVELOPMENT

It was not possible to circulate this report five clear days in advance of the meeting. The chair agreed to accept this item as urgent. The report sets out the background to the project, mandate from the residents of the Towers, strategies and next steps required to enable the redevelopment of the Ledbury Towers. In order to secure external funding, vacant possession of the building in Phase 1 was needed to be in place to secure a contractual start on site by September 2022.

RESOLVED:

Decisions of the Cabinet

1. That the ongoing engagement with the local community be noted and all residents thanked, and in particular the resident project group, for their contribution to the residents' ballot.
2. That the result be noted and the result of the residents' ballot decision to demolish the four tower blocks consisting of 224 homes (known as Bromyard House, Peterchurch House, Skenfrith House and Sarnsfield House) and provide a minimum of 333 homes across two phases, in line with the commitments set out within the Landlord Offer Document be ratified.
3. That the project be approved to deliver a minimum of 333 homes on the Ledbury Estate.
4. That a variation to the housing investment programme for funding of £5.4M to take the project, subject to planning consent, out to tender for a contractor be approved.
5. That it be noted that further work will be undertaken to review phasing and contractor procurement so as to improve financial viability.
6. That the commencement of the next phase of acquisition of leasehold interests on the four towers via negotiation, under terms that would apply pursuant to a Compulsory Purchase Order (CPO) be approved, and approval of compensation packages for the acquisition of individual leasehold interests be delegated to the director of planning and growth in consultation with the strategic director of housing and modernisation.

7. That the continued rehousing of all secure tenants remaining in the four towers to enable vacant possession of the blocks in order that the delivery of the proposed redevelopment of the Ledbury towers can proceed be approved.
8. That the delivery programme, financial implications and associated risks of the project be noted.
9. That project progress since the February cabinet paper be noted.
10. That it be noted that a gateway report will be progressed to appoint an architect and employers' agent who will work closely with residents in the design of their new homes.

Decisions of the Leader of the Council

11. That the procurement and appointment of a design team, to RIBA stage 3+ and consultants to the wider project team for the duration of the project to take the scheme to planning, and subject to consent, procurement of a contractor for Ledbury Towers scheme be delegated to the cabinet member for council homes and homelessness.
12. That the serving of demolition notices in order to suspend qualifying tenants from exercising their right to buy (RTB) their homes for a period of up to 7 years be delegated to the cabinet member for council homes and homelessness.

14. TUSTIN ESTATE LOW RISE RE-DEVELOPMENT DELIVERY PROGRAMME

It was not possible to circulate this report five clear days in advance of the meeting. The chair agreed to accept this item as urgent. The report sets out a rehousing strategy which enables the redevelopment of the Tustin Estate and in order to secure external funding, vacant possession of buildings in Phase 1 needed to be in place to secure a contractual start on site by September 2022.

RESOLVED:

Decisions of the Cabinet

1. That the ongoing engagement with the local community be noted and all residents be thanked, in particular the Tustin Community Association and resident project group, for their contribution to the resident-led programme of work at the feasibility and options stage and the initial steps of the delivery programme.
2. That the result of the Tustin Estate Resident Ballot, concluded in March 2021,

and decision to demolish low-rise blocks (Bowness House, Heversham House, Hillbeck Close, Kentmere House and Ullswater), refurbish the council tenanted houses at Manor Grove, the demolition and rebuild of Pilgrims' Way Primary School and the commercial units as well as the creation of a new park at the centre of the estate and delivery of a minimum of 689 homes across three phases, in line with the commitments set out within the Tustin Estate Landlord Offer Document be noted and ratified.

3. That a further variation to the housing investment programme for funding of up to £14.24m to take forward the project to the next stage be approved.
4. That the commencement of the acquisition of leasehold interests on the low-rise blocks (Bowness House, Hillbeck Close, Heversham House and Kentmere House) in accordance with a phased approach and via negotiation, with compensation and disturbance payable in line with compulsory purchase compensation rules be approved.
5. That the serving of demolition notices in order to suspend qualifying tenants from exercising their Right to Buy (RTB) their homes for a period of up to 7 years be approved.
6. That it be agreed that every council tenanted household subject to demolition, will be offered a replacement council home on the Tustin Estate.
7. That the re-housing of all secure tenants remaining in the low-rise blocks (Bowness House, Hillbeck Close, Heversham House and Kentmere House) in accordance with the re-housing strategy in paragraphs 50 to 74 to enable vacant possession of the blocks in order that the delivery of the proposed redevelopment of the Tustin Estate can proceed be approved.
8. That a dedicated Tustin Estate local lettings policy be agreed post securing planning consent and will be based on the principles outlined in the Tustin Estate Landlord Offer Document and the criteria outlined in the re-housing strategy and paragraphs 50 to 74 of the report of the re-housing strategy outlined in the report.
9. That it be agreed that every resident leaseholder subject to demolition, who has been living on the estate for 12 months prior to the March 2021 resident ballot will be offered the opportunity to purchase a replacement home on the Tustin Estate with the option to purchase an affordable intermediate home (shared equity, equity loan, shared ownership) or a council tenancy where appropriate and subject to a financial review.
10. That it be agreed that every housing register applicant living on the Tustin, who has been on the council's housing waiting list 12 months prior to the March 2021 resident ballot will be offered a replacement council home on the Tustin Estate.

11. That 100% of new hidden homes in the Tustin towers be made available to existing residents of Tustin Estate, with priority status given to those living in Hillbeck Close and those with a need for a garden.
12. That 100% of new build council homes on the estate be made available to eligible residents in blocks demolished by the re-development and those on the housing waiting list who we have a commitment to as set out in the Tustin Estate Landlord Offer Document. Those in blocks due to be demolished will be given priority.
13. That a 'one-move' approach to minimise disruption to residents except where residents request 'two-moves' to preserve their existing arrangements ie. to move back to the site of their original home, or to enjoy a garden if they currently have one or to move to the Over 55's block if this is their preference be approved.
14. That the re-housing of residents in Hillbeck to commence in August 2021 be approved and that the re-housing strategy described in paragraphs 50 to 88 of the report be applied.
15. That the formal consultation undertaken with affected tenants, homeowners and the wider estate community throughout the process be noted.
16. That the detailed commitment to support affected vulnerable residents throughout the project be noted.
17. That outcome of an equalities and health impact assessment summarised within paragraph 125 of the report be noted.

Decisions of the Leader of the Council

18. That approval of compensation packages for the acquisition of individual leasehold interests be delegated to the director of planning and growth in consultation with the strategic director of housing and modernisation.
 19. That approval of the Tustin Estate Local Lettings Strategy be delegated to the cabinet member for council housing and homelessness.
- 15. GATEWAY 1: PROCUREMENT STRATEGY APPROVAL - PROCUREMENT OF A DELIVERY PARTNER (DEVELOPER CONTRACTOR) FOR THE TUSTIN ESTATE LOW RISE REDEVELOPMENT PROGRAMME**

It was not possible to circulate this report five clear days in advance of the meeting. The chair agreed to accept this item as urgent. The report sets out the procurement route for the delivery partner for Tustin and in order to secure external funding, a contractual start on site needed to be made by September 2022. This route therefore needed to be agreed at this time in order to meet this deadline.

RESOLVED:

1. That the procurement strategy outlined in the report for a two-stage tender process for the procurement of a delivery partner for the Tustin Estate Redevelopment programme using the Pagabo framework be approved.
2. That it be noted that the award of the pre-construction services agreement (PCSA) of anticipated contract value of £1.5m will be approved as set out in line with the contract standing orders and in consultation with the cabinet member for council homes and homelessness for an estimated period of 10 months commencing in November 2021.
3. That it be noted that subject to successful PCSA programme of design development to financial close including planning approval, the council would have the option to award the development agreement to the preferred delivery partner for the Tustin Estate Low Rise Redevelopment Programme (comprising of residential, commercial, education and public realm works) for an anticipated period of 6 years commencing in Summer 2022 subject to a future approval via a Gateway 2 report to cabinet in summer 2022.
4. That it be noted that the council has entered into an access agreement with Pagabo to access their National Framework Agreement for Developer Led Schemes.
5. That the use of a resident-led interview panel in the PCSA and development agreement procurement process as detailed in paragraph 61 of the report be noted.

16. ACQUISITION OF LAND ADJACENT TO THE COUNCIL'S OLD KENT ROAD SITE**RESOLVED:**

1. That pursuant to s227 of the Town and Country Planning Act 1990, that the council be authorised to acquire the freehold interest in the property at 719-725 & 727 Old Kent Road shown edged black on the plan at Appendix A of the report
2. That the principal purchase terms set out in full in the closed report be authorised
3. That authority be delegated to the director of planning and growth authority to agree the detailed terms of the acquisition.

17. THE GREAT ESTATES GUARANTEE AND THE GREAT ESTATES COMMITMENTS

RESOLVED:

1. That the outcomes of the consultation with residents included in the report be noted.
2. That the Great Estates Guarantee be approved which states that:
“Southwark Council guarantees that we will listen to and respond to our residents and work effectively together to make our estates clean, safe and cared for.”
3. That the set of commitments set out in Appendix 1 of the report be approved for publication, following the consultation outcomes.
4. That a plan is put in place to communicate this guarantee and commitments to residents in the borough.

18. BOROUGH EMERGENCY PLAN 2021

RESOLVED:

1. That the annual review of the generic borough emergency plan be agreed with the understanding that further lessons from both the ongoing response to COVID-19 and other incidents will continue to be incorporated into future learning and planning.
2. That updated councillor briefing sessions are put in place to further explore the role of councillors in emergency planning and to inform future development of incident management.
3. That it be noted that the council's emergency arrangements will continue to be guided by pan-London standards and approach, including any ongoing arrangements resulting from the city-wide COVID-19 response.
4. That in the light of the fluidity in Covid infection rates across London, that the council reserves the right to activate council wide emergency response arrangements, acting on the advice of public health locally and regionally as appropriate.

19. GATEWAY 1: WICKWAY COMMUNITY CENTRE MAIN CONTRACTOR PROCUREMENT

RESOLVED:

1. That the procurement strategy outlined in the report for a single stage tender through the Crown Commercial Services (CCS) framework – RM6088 for Construction Works and Associated Services, for the redevelopment of the Wickway Community Centre for an anticipated period of 32 months commencing on 31 March 2022, at an estimated contract value of £27m be approved.
2. That the award decision in the gateway 2 report for the main works contract be delegated to the strategic director of housing and modernisation, in consultation with the cabinet member for council homes and homelessness for the reasons noted in paragraph 27 of the report.

20. GATEWAY 1: PROCUREMENT STRATEGY APPROVAL - OLDER PEOPLE'S RESIDENTIAL CARE PROVISION

RESOLVED:

1. That the procurement strategy for residential care provision including reablement services for older people in the four council owned properties (Rose Court, Bluegrove, Waterside and Greenhive), involving a publicly advertised competitive tender using the open procedure for one or more contracts for a period of up to ten years commencing 1 April 2022 to include a break clause which would be exercisable by either party, following the expiry of a minimum period to be confirmed be approved.
2. That the approval of the award of contract/s, be delegated to the strategic director for children's and adults' services, in consultation with the cabinet member for health and wellbeing.
3. That it be noted that the total estimated maximum value of the contract/s is in the region of £6.5m per annum, £65m over the term of the contract.

21. GATEWAY 1: THE PROVISION OF MENTAL HEALTH SUPPORTED HOUSING AND OUTREACH SERVICES

RESOLVED:

That the recommendation to proceed with the procurement strategy by competitive tendering to award contracts commencing on 1 July 2022 to provide mental health supported housing and outreach detailed in paragraph 72 of the report, for an initial three years with an option to extend for two

further periods of one year, with an estimated total contract value for five years of £13,309,345, which is inclusive of the clinical commissioning group (CCG) element (totalling of £1,859,565 for the 5 years) be approved.

22. GATEWAY 3: VARIATION DECISION SPECIAL EDUCATIONAL NEEDS AND/OR DISABILITIES (SEND) SCHOOL BUS SERVICE

RESOLVED:

1. That an extension of the special educational needs and or disabilities (SEND) bus service contract, provided by Olympic South Limited (trading as HATS), for a period of 24 months from 1 September 2021 at an estimated value of £4.6m, making an estimated lifetime contract value of £16.5m be approved.
2. That it be noted that the estimated value of the variation includes additional depot facility costs of £283k for 2021-22 and £182k for 2022-23, as set out in paragraphs 13 to 18 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.

23. MINUTES

The minutes of the closed section of the meeting held on 15 June 2021 were approved as a correct record and signed by the chair.

24. LEDBURY ESTATE TOWERS UPDATE ON RESIDENT BALLOT AND FUTURE REDEVELOPMENT - FINANCIAL IMPLICATIONS

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

25. ACQUISITION OF LAND ADJACENT TO THE COUNCIL'S OLD KENT ROAD SITE

The cabinet considered the closed information relating to this item. Please see item 16 for the decision.

26. GATEWAY 3: VARIATION DECISION SPECIAL EDUCATIONAL NEEDS AND/OR DISABILITIES (SEND) SCHOOL BUS SERVICE

The cabinet considered the closed information relating to this item. Please see item 22 for the decision.

The meeting ended at 1.20pm.

CHAIR:

DATED:

DEADLINE FOR NOTIFICATION OF CALL-IN UNDER SECTION 17 OF THE OVERVIEW AND SCRUTINY PROCEDURE RULES IS MIDNIGHT, WEDNESDAY 21 JULY 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.

Item No. 8.	Classification Open	Date: 14 September 2021	Meeting Name: Cabinet
Report title:		Policy and Resources Strategy: revenue monitoring report, including treasury management 2020-21 (month 4)	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Rebecca Lury, Finance, Performance and Democracy	

FOREWORD – COUNCILLOR REBECCA LURY, FINANCE, PERFORMANCE AND DEMOCRACY

Covid-19 continues to be an issue of concern for the Borough, and whilst Government has made some financial contribution, as they suggest that things are returning to ‘the new normal’ Council’s will be left to bear the ongoing financial burden.

In putting our residents first, we will continue to face additional costs which we believe are necessary to ensure that our those who live and work in our Borough are being supported. We are also continuing to see planned savings delayed or cancelled, and there are significant ongoing pressures from lost income through fees and charges that will have long-term ramifications.

Alongside this, as our residents and businesses face increased pressures, this has a knock-on impact on our Borough, with reductions in tax collection in both council tax and business rates.

We continue to push government to provide the financial support that we need as a Borough to continue to mitigate against Covid-19 pressures, but this uncertainty about the levels of support we will receive makes it difficult for us to make a definitive assessment of the full financial impact on the Council.

We expect to see continued pressures from lost income in Environment and Leisure, and increasing pressures on our Temporary Accommodation budget, which we only expect to increase as the financial implications of Covid-19 on employment and personal circumstances of our residents emerges.

There is also the emerging concern of the financial viability of a number of maintained schools in the Borough, and officers and Councillors are working together to keep a close eye on this and introduce mitigation measures as necessary.

Without Covid-19 having the impact that it has, as can be seen in this report, our financial situation would be significantly different, and whilst we will always prioritise supporting our Borough, it cannot be the case that local authorities

are having to take such a significant financial hit at this time. We will therefore continue to lobby national government to make good on their promise to councils that they would cover the cost of additional council spending required to support people through COVID-19, not just those things that it has asked councils to do.

RECOMMENDATIONS

That the cabinet notes:

1. The General Fund forecast outturn position for 2021-22 (Table 1).
2. The COVID-19 emergency funding support received to date (paragraphs 18 - 22).
3. The government's COVID-19 Sales, Fees and Charges compensation scheme (paragraph 19), and that the scheme only part funds the actual losses incurred.
4. That the cabinet notes the other key adverse variations and budget pressures underlying the forecast outturn position, notably:
 - Temporary Accommodation pressure of £6.9m after use of reserves.
5. That cabinet notes the Housing Revenue Account (HRA) forecast outturn position for 2021-22 (Table 2, paragraphs 58 - 65).
6. That cabinet note that there is currently no compensation for the HRA for additional costs or lost income arising from the pandemic;
7. That cabinet notes treasury management activity to date in 2021-22 (paragraphs 71 - 78).
8. That cabinet approve the interdepartmental General Fund budget movements as shown in Appendix 1.

BACKGROUND INFORMATION

9. The council agreed a balanced General Fund budget of £293.120m on 24 February 2021 based on a 4.99% council tax increase. The Policy and Resources Strategy for 2021-22 assumed that a one-off contribution of £5.8m reserves would be used to underwrite the budget.
10. The council also approved budget decisions which included reductions of £14.3m within the General Fund for 2021-22. Performance on achieving these savings is closely monitored and significant variances will be included in departmental narratives.

11. In 2020-21, after the utilisation of £2.1m of DSG reserve, the council was able to contribute £4.1m to General Fund reserves to mitigate future risks, fulfil commitments already made and to provide resources to support service transformation. In addition to this, a further £53.4m in specific COVID-19 reserves was set aside, primarily to account for timing differences on central government compensation for collection fund losses. 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.
12. The cabinet agreed a balanced housing revenue account (HRA) budget on 19 January 2021.

KEY ISSUES FOR CONSIDERATION

General Fund overall forecast position

13. Although circumstances in September 2021 are in some ways very different to those a year ago, the high level of uncertainty remains a constant. At the time of writing it remains difficult to predict the financial impact of the release from lockdown in June, the withdrawal of the furlough scheme in September and the cessation of the £20 uplift in Universal Credit. This makes it challenging to plan ahead, both in the short term and as we look forwards to renewal. The forecasts included below incorporate the latest information available and officers will continue to update these as and when new data becomes available.
14. Table 1 below shows the current forecast outturn position by department. The council is forecasting an overspend on the General Fund of £4.6m after application of the Government's Emergency COVID-19 Funding and contingency budget of £4.0m.
15. The overall forecast position is particularly sensitive to any changes in central government funding and to the economic impact of central government policies in response to COVID-19. Given the significant uncertainty attached to these factors and the pace of policy change, the range of possible year-end positions is far wider than in previous years. The forecast presented at table 1 represents the 'most likely' scenario at this time given the limited commitment to additional funding from central government to date. This situation will continue to be monitored over the coming months and the full extent of COVID-19 pressures will be reported to MHCLG each month. Audit, Governance and Standards Committee will also continue to receive updates at each meeting.
16. Notably, the ring-fenced DSG account is forecasting a balanced position for the first time in several years (detail in departmental narrative below). However, this still leaves a £21.7m accumulated deficit on the balance sheet and officers continue to lobby central government for resources to tackle this.

Table 1: General Fund forecast outturn position for 2021-22:

General fund	Original budget	Budget movement	Revised budget	Forecast Spend in year	Variance before use of reserves	Planned movement in reserves	Total use of resources	Variance after use of reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Children's services	65,440	-	65,440	66,748	1,308	-	66,748	1,308
Adult social care	86,236	-	86,236	84,242	(1,994)	-	84,242	(1,994)
Commissioning	4,629	-	4,629	5,084	455	-	5,084	455
Education	21,312	(2,742)	18,570	19,418	848	-	19,418	848
Total children's and adults' (excl. Dedicated Schools Grant)	177,618	(2,742)	174,876	175,492	617	-	175,492	617
Environment and leisure	87,811	-	87,811	90,950	3,139	-	90,950	3,139
Housing and modernisation	61,168	(1,309)	59,859	68,795	8,935	(736)	68,059	8,200
Chief executive's	(302)	1,309	1,007	4,985	3,978	(494)	4,491	3,484
Finance and governance	20,669	-	20,669	23,744	3,075	(174)	23,570	2,901
Strategic finance	(16,512)	2,742	(13,770)	(13,527)	243	-	(13,527)	243
Support cost recharges	(41,332)	-	(41,332)	(41,332)	-	-	(41,332)	-
Contingency	4,000	-	4,000	4,000	-	-	4,000	-
Total General Fund services	293,121	-	293,121	313,107	19,987	(1,404)	311,703	18,583
COVID-19 Funding Received	-	-	-	(14,003)	(14,003)	-	(14,003)	(14,003)
Total General Fund services	293,121	-	293,121	299,104	5,984	(1,404)	297,700	4,580
Dedicated Schools Grant	-	-	-	-	-	-	-	-
Net revenue budget	293,121	-	293,121	299,104	5,984	(1,404)	297,700	4,580

17. All strategic directors will continue to take action to ensure that they deliver their services within budget. Progress for each department is shown in the narrative below. Management actions are ongoing to continue to address all budget pressures, including those related to COVID-19.

COVID-19 Government support

18. The government have announced one tranche of general support funding for 2021-22. Southwark's allocation is £11.4m, which was designated to support quarter 1 (April to June 2021). The MHCLG returns in June and July 2021 requested data for quarter 2 (July to September 2021) for which funding, if any, is yet to be announced. It is expected that councils will receive further general or specific grants to

support any further costs or income losses as a result of the pandemic, in quarter 2 (July to September 2021) and beyond.

19. The council will also submit a claim for income losses in Sales, Fees and Charges (SFC) in 2021-22. The overall claim is estimated to be £2.4m on losses of £4.0m, amounting to 59% of losses rather than the headline figure of 75%. Extension of this scheme past June will depend upon the progress of the government's plans for easing lockdown and any consequent additional funding for local government. The council's full year estimate of potential losses is £13.8m.
20. Detailed reporting, including analysis of the extent to which additional costs and lost income have been compensated by central government, is presented to the Audit, Governance and Standards Committee each time it meets.
21. With respect to Collection Fund losses, the government has announced that they will fund a proportion. Residual losses will be permitted to be spread over three financial years from 2021-22.
22. In addition to the emergency funding and SFC compensation, the government has also made available other targeted funding including COMF, Rough Sleeping funding and additional monies for Local Council Tax Support.

Departmental Monitoring Information

Children's and Adults' services

23. This is another challenging year for Children's and Adults Services. The combined effect of the pandemic, Brexit and general economic uncertainty created a very challenging environment. The department is expected to finish the year with a small adverse variance of £0.6m before any MHCLG grant is applied. It is expected that MHCLG grant will fully offset this pressure. The key areas of concern are children's social care due to continuing pressures in staffing and the pressures within schools finance and falling rolls. There have been significant savings built into the budget which might be challenging to achieve in the current uncertain environment.
24. The ring –fenced Dedicated Schools Grant (DSG) is expected to achieve a break even position for first time in a number of years despite growing pressures in demand and uncertainties around COVID-19.

Adults Social Care

25. The Adult Social Care division has started the year with a forecast of a favourable variance. This is a continuation of a number of year's favourable financial performance. This forecast takes into account specific COVID-19 funding, including the reimbursement of additional

hospital discharge and admittance avoidance costs of approx. £1.5m. This funding was first announced in March 2020 and now has been extended until end of September 2021 and is expected to ensure there is sufficient bed capacity in the hospitals to deal with the pandemic.

26. The division is continuing to be affected by the pandemic especially within care packages expenditure such as homecare, nursing and residential. The underlying COVID-19 related pressure within Adult social care for the financial year is around £4.5m which includes placements, hospital discharge costs, loss of client income, legal and staffing related costs. It is expected that this financial year these additional costs will be covered by additional government funding. The division has continued to support the provider market through additional payments such as infection control and rapid response fund payments.
27. Key medium to long term financial concerns include the effect the pandemic had on the general hardship for families as it creates increased difficulties for local authorities to achieve their income targets and will lead to more reliance on council's services. Adult social care has been affected by the combined effect of the pandemic and Brexit that lead to above inflationary increases of placement costs in most areas. This trend likely to continue and expected to cause further financial pressures in the future.
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 of the COVID-19 pandemic. At Month 4 the division is forecasting an adverse variance of £1.3m before any COVID-19 related government funding has been applied. This forecast is a significant improvement on the previous year's outturn and includes around £1m of COVID-19 related pressure. The underlying key cost drivers within the division are staffing and placements. There has been a trend of reduced placements costs in some areas that resulted in a forecast that is lower than last year's outturn. However the service is continuing to be severely affected by the shortage in the supply of children's social workers. This has been an issue over a number of years at a national level and results in greater than desirable reliance on agency workers. The cost of agency staff is approximately 20% more than permanent staff which causes financial concerns for the division. In order to mitigate this the service is concentrating on developing initiatives to ensure that the 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

30. The Commissioning division was expected to achieve a balanced position this financial year however delays in restructuring have resulted in continuing use of agency staff which mainly drives the adverse variance for 2021-22. The directorate is working on reducing the use of agency staff and to establish a permanent staffing structure that will be able to support the needs of the department.

Education

31. The Education service remains under pressure and is forecasting an adverse variance of £0.8m before any COVID-19 related support has been applied. The key driver of this pressure is continuing to be the home to school transport. The COVID-19 pandemic has created additional financial strains on the service as the application of the necessary social distancing measures led to increased costs as well as negative impact on savings targets embedded within the budget. 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. The service has continued to provide additional support to all schools and supported children and families with and enhanced Free School Meals offer during school holidays.

Dedicated School Grant

32. The DSG is expected to be in a balanced position in 2021-22 for the first time in a number of years. This means the deficit position on the balance sheet is expected to remain at the 2020-21 closing level of £21.7m. The council has been in correspondence with the Department for Education (DFE) and Education and Skills Funding Agency (ESFA) 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.
33. The High needs block remains the main risk area of the DSG. In order to be able to achieve the forecast in-year balanced position 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 will be affected by the fluctuations in demand for EHCP's as this is a highly demand-led service area.
34. There is also a growing concern within the service and finance that a number of maintained schools are experiencing increasing financial difficulties. This is mainly due to the continued falling rolls which have been experienced across all London boroughs. Officers from the council

are working together with the schools to ensure robust plans are in place to improve their financial situation.

Environment and Leisure

35. Allowing for COVID-19 pressures, the department is projecting an adverse variance of £3.139m, which equates to a favourable variance of £1.558m if those pressures are excluded.
36. The total impact of the COVID-19 budget pressure identified in the department is £5.976m comprising of lost income and additional costs with the main areas being local authority compliance and enforcement activities of £1.3m in Regulatory Services, Parking Services of £2.4m, Markets and Network Management of £510k, Housing Enforcement of £600k due to the delayed implementation of new scheme and Wardens of 230k.
37. Allocation of £1.280m from the Contain Outbreak Management Fund grant has been allocated to the department resulting in a net COVID-19 budget pressure of £4.696m.
38. The financial implications of the COVID-19 pressures are being reported separately in the government returns to Ministry of Housing, Communities and Local Government (MHCLG) from the council.
39. The Public Health directorate is coordinating various programmes across the borough in responding to the ongoing COVID-19 pandemic situation with separate funding via government grants. The ring-fenced Public Health grant budget for 2021-22 is reflecting a break-even position at year end.
40. Since the introduction of Low Traffic Neighbourhoods (LTNs) in some parts of the borough, and based on the financial information available to date, the department is projecting a net additional income of £3m at this time and this is reflected in table 1. The final net additional income from LTNs will be transferred to an earmarked reserve for reinvestment in locally important schemes including highways, transport, school streets, healthy streets and with the aim of tackling the climate emergency. Recognising the new nature of this income stream, the position will be need to be closely monitored throughout the remainder of the year.

Housing and Modernisation (H&M)

Overview

41. The outturn forecast for 2021-22 is an unfavourable variance of £8.2m (net), which reflects both underlying budget pressures, particularly homelessness and the on-going impact of the pandemic. Southwark has played a key role in supporting residents and businesses during the course of the pandemic ensuring that the most vulnerable in our

community and local economy are protected, at significant additional cost. Notwithstanding the financial support provided by government, the council will not be able to fully recoup its costs and income losses. The key budget headlines are set out below.

Resident Services - Temporary Accommodation (TA) and Housing Solutions

42. Demand for TA remains incessant, driven by the growing national homelessness crisis, excessive private sector rents and government restrictions on Local Housing Allowance (LHA) rates which means welfare benefits no longer cover the cost of private rented accommodation. Whilst there is an underlying demand pressure in Southwark for temporary accommodation, the pandemic continues to exacerbate the position and the budget is currently forecast to be £6.9m overspent after the application of £0.7m reserves. This includes a requirement for a higher level of bad debt/write-off provision to be set aside, reflecting the upward shift in arrears since March 2020.
43. The council took decisive action to respond rapidly to the demand to provide accommodation for the borough's rough sleepers and re-house those in shared accommodation, which is to be applauded. However, the budget position remains a major concern going forward given the continued uncertainty. The restrictions prohibiting evictions have ended, and whilst government assistance continues until September, it is likely to further increase demand and therefore the current outturn forecast should be viewed with caution. In addition, the Housing Solutions service is currently forecast to be £1.4m over budget which is predominantly for incentive payments to landlords to support households into private sector leased accommodation.

Customer Services – Coroners and Mortuary Service

44. The coroner's service operates as a consortium of four boroughs: Lewisham, Greenwich, Lambeth and Southwark, (the lead authority) and the cost of the service is shared amongst the members relative to population. The service continues to address social distancing guidelines by holding inquests at Tooley Street, which incur additional costs, such as building adaptations, security and coronial staffing estimated to be in excess of £0.2m. In addition there are underlying cost pressures in relation to organ donation that require the routine presence of an assistant coroner, along with professional fees that are dependant on the complexity of cases and volumes, which have added significantly to service expenditure since 2019. The service is currently forecasting a net overspend of circa £0.8m overall, of which around £0.2m is attributable to Southwark.

Customer Services – Technology and Digital Services (TDS)

45. The overall cost of TDS delivered in partnership with the shared

technology service (STS) is currently showing a favourable variance against budget of £0.7m. 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. The current budget reflects the expected full operational cost on completion, but in the interim the service continues to build on the smart working changes accelerated in response to the pandemic. This has enabled the council to maintain a high level of service capability throughout and work continues to prepare for post pandemic hybrid office/ home working.

Asset Management - Corporate Facilities Management (CFM)

46. 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 service continues to be at the forefront of the council's health and safety response to the pandemic, providing the physical adaptations, enhanced cleaning, security and welfare measures to protect staff and residents, creating a further budget pressure estimated at £1m. CFM also manages a programme of life-cycle capital investment projects across the council's operational estate and other capital works programmes for departments for which it derives fee income. While COVID-19 restrictions have eased, there is caution in forecasting the extent to which the investment programme can be delivered as planned and therefore a reduction in fee income of around £0.2m has been assumed.
47. The service is also in the process of delivering a complicated procurement for hard and soft facilities management services under a new single contract together with bringing some cleaning services in-house. This is being undertaken during a period of reflection and re-evaluation of the council's longer-term accommodation strategy and operational asset base. The forecast also reflects the benefit of a one-off backdated income windfall following the renegotiation of rental terms for office space provided to a partner organisation.

Central Services

48. Budgets held within this area 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. The current forecast reflects anticipated lower activity and cost than expected giving rise to a favourable variance of £0.3m at this stage. Pending further review during the year this could give rise to budget savings going forward.

Chief Executive's department

49. The Chief Executive Department is currently forecasting an adverse variance of £3.484m for the year-end. The ongoing COVID-19 pandemic

situation is continuing to have a significant impact on departmental budgets with substantial additional costs and loss of income across the numerous service areas within the department.

50. The financial implications of the COVID-19 pressures are being reported separately in the government returns to Ministry of Housing, Communities and Local Government (MHCLG) and these amount to £2.040m. Therefore the adverse variance net of COVID-19 pressures for the department is £1.4m. This mainly relates to Planning and Growth division of £1.1m due to budget pressure on NNDR, staffing and reduction in planning fee income.
51. The Strategy and Change section within the Strategy and Economy division is also projecting budget pressures of £0.225m on staffing budgets.
52. The budgets are being monitored closely and any changes to this projected outturn position will be reported at the next revenue monitor report to cabinet.

Finance and Governance

53. Finance and Governance is reporting an adverse variance of £2.901m after the use of reserves. The key variances are within Exchequer services and are due to the COVID-19 pandemic. There has been a freeze on court costs and debt recovery and an increase in the use of the Capita contract contributing to the overall pressure.
54. Elsewhere favourable variances, principally due to staffing vacancies, help mitigate the COVID-19 impact of reduced income within the legal trading division.

Strategic Finance

55. Strategic Finance is forecasting a break-even position in 2021-22. The budgets are being monitored closely and any changes to the projected outturn position will be reported at the next revenue monitor report to cabinet.

Contingency

56. It is anticipated that the contingency budget will be fully utilised to meet existing and potential pressures within the 2021-22 General Fund budget.

Progress in delivering efficiencies and improved use of resources and income generation

57. As part of the budget setting process for 2021-22, £14.3m efficiencies, income generation and savings proposals were agreed. Strategic

Directors and their teams monitor these closely and the impact of any variances is accounted for within the forecasts presented at table 1.

HOUSING REVENUE ACCOUNT (HRA)

Table 2 - Housing Revenue Account

HRA M4 Monitor 2021-22	Full Year Budget 2021-22	Outturn 2021-22	Variance 2021-22
	£000	£000	£000
Asset Management	57,403	60,828	3,425
New Build	400	587	187
Communities HRA	9,145	9,095	-50
Resident Services	42,997	44,986	1,989
Directorate	1,803	1,853	50
Customer Services	6,664	7,153	489
Central Services	29,944	28,057	-1,887
Debt Financing	30,105	23,121	-6,984
Depreciation	53,000	51,600	-1,400
Exchequer Services	9,032	8,092	-940
Tenant's Rents & Service Charges	-226,252	224,486	1,766
Homeowner Service Charges	-33,911	-30,556	3,355
Revenue Contribution to Capital	19,670	19,670	0
Appropriations to /(from) Reserves	0	0	0
Total HRA	0	0	0

58. This forecast is based on the latest expenditure trend analysis and incorporates known budget pressures and commitments in relation to the management and maintenance of the council's housing stock, including on-going costs arising from the COVID-19 pandemic. However, at this stage there are a number of variables in play that cannot be fully quantified and the forecast remains subject to change and should be viewed with caution. The position will be kept under review and any movements reported in subsequent monitoring reports. The underlying position is a negative variance of £11.3m (gross) which is off-set by service underspends and a combination of financing measures, predominantly debt financing, to ensure a balanced position at year-end. cabinet are advised that scope within the HRA to manage ever increasing resource demands is diminishing and cannot be sustained indefinitely without prioritisation of service provision moving forward.
59. As previously reported, the upkeep of the fabric of the housing stock consumes by far the largest proportion of operating resources, and notwithstanding considerable revenue budget growth over recent years

(circa £9m (net) since 2017-18), remains under pressure, with a forecast overspend of £3.4m (net). There are a number of budget variances across the division, particularly voids and disrepair. One factor that has contributed to the growth in expenditure over the medium-term is the cost of works contracts delivered in-house. Costs remain high and performance is not at the level predicated in the business model. Successful implementation of the strategic business improvement plan is crucial to improving operational efficiency/productivity, controlling costs and achieving the higher service standards and value for money that residents expect and deserve. Looking forward, the requirements arising out of the Building and Fire Safety bills will add even greater pressure on already stretched resources.

60. Other areas of concern and reported previously are the district heating network, where ageing infrastructure is problematic, causing frequent outages and requiring the use of expensive temporary boilers to maintain service. Coupled with the carbon reduction agenda, this cannot be met from revenue resources alone, but requires significant capital investment over a sustained period. Void turnover, particularly those used for temporary accommodation (reflected in the Resident Services outturn) is running at a higher rate and unit cost than originally predicated and shows no sign of abating, giving rise to significant budget variation which needs to be adequately baselined going forward.
61. Where permissible, eligible works expenditure is capitalised to mitigate the revenue position, but this is not a sustainable solution as it simply shifts the burden to the capital programme which is under resourced and requires re-profiling over an extended timeframe to remain affordable. A key business plan objective is to support the capital programme through revenue contributions and whilst this has been maintained and often exceeded, it has become increasingly harder to achieve in recent years and cannot realistically be sustained at the existing level going forward.
62. Rental and other income streams are of paramount importance for the viability of the HRA and service provision. Rent debit and void loss are key financial performance indicators and are monitored closely. Currently, these indicators are below target leading to a forecast income shortfall of around £1.8m (net). This is a corollary of the pandemic as it has impacted the delivery of new council stock coming on-stream as programmed and predicated in the budget. It has also impacted void turnaround and reflects measures adopted by the council to minimize the risk of COVID-19 to residents, i.e. rehousing hostel clients from shared accommodation in to temporary housing. Whilst there is an in-year impact in cash flow terms, the principal concern remains that of arrears which were adversely impacted in 2020-21, are gradually recovering, but remain below pre-pandemic levels and will require a proportionately higher bad debt provision to be made from the revenue account. The HRA maintains a prudent level of provisions to meet collection losses/write-offs and estimates that the full budgetary provision will be

required this financial year and will be unavailable to mitigate budget pressures elsewhere in the HRA.

63. 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 the lease in order to prevent cross-subsidy from tenants. Given the nature and profile of the major works programme, expenditure is not linear from year to year leading to volatility in amounts billed between years which is to be expected, and which has been exacerbated by the pandemic. The forecast currently shows billing to be around £3m lower than budget, whereas in 2020-21 it was £5.1m higher. Fee income is also forecast to be lower than budget by up to £0.4m reflecting lower homeowner activity. Revenue service charges are forecast to be on budget.
64. 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. Unlike the general fund, there is no requirement to make a minimum revenue provision (MRP) in the HRA which in the short-term provides the necessary flexibility to mitigate budget pressures and exceptional demands across the wider HRA. Current indications are that £7m will be required to ensure a balanced position at year-end. However, as the requirement to increase borrowing to finance the new homes programme and other strategic investment needs, such as the heating network and carbon reduction, this flexibility will be eroded and requires a more sustainable approach to service spending. 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.
65. In the same manner 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). At 31 March 2021 earmarked reserves stood at £28.8m (previously £23m). The measured upward movement is to be welcomed, but in the context of the size of the council's HRA and HIP, reserves still remain below the optimal level considered prudent and will be managed over the medium-term to build a greater level of sustainability going forward.

Reserves

66. The council retains a level of earmarked reserves and these are reported each year within the annual statement of accounts. As at 31 March 2021 the council had unallocated general fund reserves of £21.0m and net earmarked reserves of £205m.

67. Earmarked 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.

Any application of these reserves for budget pressures will necessitate reductions in the programmes of work to be funded from them.

68. 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 reserves remain critical to the council's policy and resources strategy. Any use of General Fund balances by implication compromises the budget setting process for future years.
69. As the year progresses, departments will continue to take management actions to reduce the cost pressures identified, and any plans to draw down from reserves to support the budget for 2021-22 will be closely monitored.
70. Where a department identifies a need for additional funding there is a robust process for seeking support from reserves. The department must demonstrate that it is unable to contain the identified additional pressure within its existing budget, or provide evidence of prior agreement that the expenditure will be met from reserves. Further, opportunities will be sought to reduce the call on reserves through capitalisation of costs as appropriate.

Treasury management

71. As at the end of the first quarter the outstanding debt held by the council was £856m, a decrease from £886m as at 31 March 2021. This reflects the scheduled repayment of short-term loans from other local authorities of £27.5m and £2.5m PWLB loan repayment.
72. During 2021-22 and in accordance with the approved Treasury Management Strategy, the council will review its long-term borrowing from the Public Works Loans Board (PWLB). All long term borrowing is to support the growth in capital investment.
73. Drawing of long-term borrowing has been supplemented by a continuation of short-term borrowing from other local authorities to reduce the overall debt interest expense for the council. The level of

short-term borrowing from other local authorities as at 31st July stood at £170m.

74. The council maintains sizable investment balances, representing income received in advance of expenditure plus balances and reserves held. Investments as at 30 June 2021 were £163m (£146m at 31 March 2021) reflecting Council resources that are not immediately required for current expenditure.
75. 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.
76. The annualised rate of return for council treasury management assets for the first quarter of 2021-22 financial year was 0.12%.
77. 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. For the equivalent period of the financial year the benchmark index annualised return was 0.04% indicating an outperformance of the council portfolio versus the benchmark.
78. 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, equalities (including socio-economic) and health impacts

79. This report monitors expenditure on council services, compared to the planned general fund budget agreed in February 2021, and HRA budget agreed in January 2021. 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.

Climate change implications

80. There are no climate change implications arising directly from this report, which provides an update on the forecast revenue outturn for 2021-22. There is one decision contained within the recommendations and it relates to the virement of budgets within the organisation which is effectively an administrative change with no climate change impact.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Policy and Resources Strategy 2021-22 – revenue budget: Council Assembly 24/02/2021	160 Tooley Street PO Box 64529 London SE1P 5LX	Tim Jones 0207 525 1772
Link (please copy and paste into browser): https://moderngov.southwark.gov.uk/documents/s93774/PRS%20Council%20Assembly%20Report%2024%20February%202021.pdf		
Housing Revenue Account: Final Rent-Setting and Budget Report 2021-22: Cabinet 19/01/2021	160 Tooley Street PO Box 64529 London SE1P 5LX	Ian Young 020 7525 7849
Link (please copy and paste into browser): https://moderngov.southwark.gov.uk/documents/s92939/Report%20Housing%20Revenue%20Account%20report.pdf		

APPENDICES

No.	Title
Appendix 1	Interdepartmental budget movements months 1 to 4

AUDIT TRAIL

Cabinet Member	Councillor Rebecca Lury, Finance, Performance and Democracy	
Lead officer	Duncan Whitfield, Strategic Director of Finance and Governance	
Report author	Tim Jones, Departmental Finance Manager	
Version	Final	
Dated	2 September 2021	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Director of Law and Democracy	No	No
Strategic Director of Finance and Governance	N/a	N/a
Cabinet Member	Yes	Yes
Date final report sent to constitutional team		2 September 2021

APPENDIX 1

Interdepartmental movements to be approved for months 1 to 4

Department From	Amount £	Department to	Amount £	Description of the budget movement
Children and Adults	(2,742,241)	Finance & Governance	2,742,241	Transfer of Free School Meal Budgets
Housing and Modernisation	(1,309,300)	Chief Executive's	1,309,300	Transfer of Organisation Transformation

Item No. 10.	Classification: Open	Date: 14 September 2021	Meeting Name: Cabinet
Report title:		Policy and Resources Strategy: capital monitoring report, including capital programme update 2021-22 (month 4)	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Rebecca Lury, Finance, Performance and Democracy	

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

We continue to remain committed and ambitious about our ability to deliver on major investments and improvements in our Borough. Whilst Covid-19 continues to have an adverse impact on us being able to do all that we would want to, there is still much to celebrate about what we are achieving.

Our range of projects remains extensive, covering all areas of the Borough, providing improvements for all of our residents. From the opening of Dicken's Square, to the ongoing work in Victory Community Park, we continue to invest in our green spaces. We are continuing to invest in improvements to existing care settings, providing improved facilities for some of the most vulnerable in our Borough.

The Council continues to invest in our technology and digital service solutions – improving not only the technology and supporting infrastructure that allows our staff to continue to work in these changeable times, but also provides improved ways for residents to interact with us.

And our work on building council housing continues apace, with schemes across the Borough starting on-site in the coming months.

Despite the difficult circumstances, we remain committed to doing all that we can to improve the Borough, and our investment in the programmes of work set out here only go to demonstrate this.

RECOMMENDATIONS

That cabinet:

1. Notes the forecast outturn and resources for 2021-22 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 significant funding requirement of £311m which needs to be identified for the general fund programme to be fully delivered over the remaining term of the programme, as detailed in Appendix A.
4. Notes the borrowing requirement of at least £876m 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 15 June 2021 the 2020-21 capital outturn report was presented to the Cabinet. This reported the capital outturn on the general fund programme of £116m and financing requirement (i.e. borrowing) of £89.9m. Spend on the housing investment programme for the financial year 2020-21 was £215m, with £56.1m financed by borrowing.
6. The total programmed capital expenditure over the ten-year period 2021-22 to 2030-31 is £478m for the general fund and £2,077m 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. This has historically resulted in the capital programme being over-programmed in year, 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.
9. 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 24 February 2021 the council assembly noted the 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.

KEY ISSUES FOR CONSIDERATION

Programme position at Month 4 2021-22

10. The capital programme is detailed within the report and appendices as follows:
 - Appendix A set out the summary of the general fund capital programme 2021-2031
 - Appendix B sets out the housing investment programme for 2021-2031
 - Appendix C sets out capital programme budget virements and variations for approval
 - Appendix D provides further detail on the general fund capital programme 2021-2031.

General Fund

11. Attached at Appendix A is a summary of the general fund capital programme position as at month 4. The total programmed expenditure over the period 2020-21 to 2030-31 is £478m. The forecast spend in 2021-22 is £138.9m against a programmed spend of £204.9m.
12. Capital expenditure to the end of Month 4 amounted to £11.3m representing 8% of forecast spend for the year.
13. Appendix C details the budget virements and variations for approval by cabinet.
14. Appendix D provides a breakdown of the programme by directorate and project and the departmental narrative statements (paragraphs 28 to 97) provide further details.
15. This programme position will continue to be monitored and reviewed over the remainder of the financial year and the final outturn position will be reported to cabinet.

Housing Investment Programme

16. The housing investment programme is forecasting total expenditure of £2,077m over the period 2021-22 to 2030-31. The forecast spend in 2021-22 is £347m against a budget of £458m. Expenditure to the end of month 4 amounted to £46m representing 13% of total forecast spend for the year.
17. A breakdown of the schemes and budgets within the housing investment programme is included in Appendix B. Further narrative is provided at paragraphs 89 to 97.

Resourcing the 2021-22 programme and onwards

18. Capital expenditure is financed through a variety of sources, typically receipts from the sale of capital assets, capital grants, 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.
19. 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.
20. 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.
21. 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.
22. 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, saving over £20m since 2011, 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 previous capital spending and to maintain target cash balances.
23. 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.
24. In the current ten year programme included within this report, there is a forecast shortfall of available funds of £311m to meet the planned general fund capital commitments and a borrowing requirement of £876m to fund the ambitious housing investment programme.
25. 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 financial year. As part of work to review capital financing, a review of s106 has been undertaken to identify where contributions can appropriately be utilised to support the capital programme, subject to the agreement of the Planning Committee.

26. 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. Beyond 2021-22, there are likely to be future demands for borrowing and these will be assessed as necessary at the time as part of our treasury management strategy.

Departmental Updates

27. The sections below provide commentary on the budget forecast position by department for 2021-22.

CHIEF EXECUTIVE'S DEPARTMENT

28. The total value of the capital programme for the department over the period 2021 to 2030-31 is £160.04m. Total expenditure incurred to the end of July 2021 amounted to £2.21m.

Regeneration Division

29. The regeneration division (comprising of 4 project areas namely Regeneration North, Regeneration South, Regeneration Capital Works & Development and Property Services) has a combined budget of £124.27m with expenditure incurred to the end of July 2021 amounting to £1.33m.

Walworth Road Town Hall

30. In August General Projects [GP], the council's partner for the Walworth Town Hall project secured 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 facility.
31. GP have reviewed their procurement process to appoint a main contractor for the works and are now programming a start on site in Q4 this year with practical completion in 2024.
32. The community space will be managed by a new body with an independent chair. An independent advisor has been 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 financial basis

Canada Water Leisure Centre

33. 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. Enabling works are underway to prepare plot A2 for development. The petrol station on the site has now been demolished. British Land still 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

34. Dickens Square/ Dickens Fields: Construction works started on 14 December with expected completion in July 2021. There have been further Programme delays due to COVID-19 outbreak on site and material supply delays. Practical completion & handover on Dickens Square has now taken place as planned.
35. Victory Community Park – The programme for this scheme is currently on track. Consultation on the developed design took place during May–July and a planning submission followed in August. Permission is expected by the end of the year with construction programmed for the first half of 2022.
36. Nursery Row: Approval of PID occurred in February 2021. Public consultation on proposals for the park is now underway.

44 Webber Street

37. Essential repairs have recently been completed 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 obligations from the landlord to the tenant. This has been a complex project and some degree of overspend is anticipated in 2021-22.

Voluntary Sector Strategy

38. 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 and 177 Abbey Street. If the council is to retain the buildings it will need to invest (potentially with the benefit of grants on match funding basis) 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

39. Pullens Yard Improvements is an ongoing project to achieve fire safety compliance in old workshop premises integrated with tenanted and leasehold residential premises. The project is underway, on a unit by unit basis and all funds are committed. To achieve full compliance we would need to budget for 5 units a year at £30k per unit for the next three years including the current one (£150,000 per annum). The options, including a possible capital bid, are being reviewed and cabinet will be updated in the next capital monitor report.

Void Shops

40. Void Shops are 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. We expect to see more commercial premises becoming vacant as the economic impact of the COVID-19 pandemic comes to bear and rent recovery action resumes. At present a potential funding requirement of an estimated £250,000 per annum remains as a budget pressure. The options, including a possible capital bid, are being reviewed and cabinet will be updated in the next capital monitor report.

Transport Division

41. The transport planning budget of £2.88m is largely funded by Transport for London (TfL) to deliver transport improvement programmes as contained within the borough's movement plan.

TfL Funded Works

42. TfL funded projects are largely on track with the majority of budgets either at full spend or on track to achieve full spend as forecast.
43. Designs for the Rotherhithe to Peckham Cycle Connection have been submitted to TfL for review and only minor changes to the design are required. An additional £65k of funding for this project has now been confirmed for the 2021 financial year.
44. Scoping has been completed for cycle hire expansion and this work will be charged to the code shortly. Scoping work has been submitted to TfL and requires them to provide their approval for implementation in order to proceed to the next stage. Full spend will be dependent on this being received in a timely manner.

Elephant and Castle Roundabout Project

45. The capital programme also includes the remaining s106/CIL contribution of £32.72m (part of the total £63m) agreed by the council towards the strategic transport improvements project in Elephant & Castle.

CHILDREN'S AND ADULTS' SERVICES

46. The total value of the departmental capital programme for the period 2021-22 to 2030-31 is £105m with £33.7m forecast spend in 2021-22.

Adult Social Care

47. The capital programme budget for the period 2021-22 to 2030-31 is £31.8m, the main projects being; £15.4m in respect of a programme of improvements to existing care settings, £10m for the provision of an additional bed-based care facility and £5.4m for an essential lifecycle capital programme for four residential care homes.
48. 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. The spend on ASC properties likely to increase as refurbishments started in Alma Grove, Therapia Road, and Mount Adon Park with a 2021-22 forecast of £0.6m.
49. Lifecycle work on Residential homes were also affected by COVID-19 and the identification of urgent Health and Safety issues that resulted in delays in tendering and completing various projects. This led to the programme being put on hold, and expected spend on the homes has been consequently revised to £0.5m for 2021-22, with uncertainty about the short term, and likely on site delays in case of a restart.
50. The Adult Social Care Capital Board has identified a number of priorities for 2021-22 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

51. The Children's Services capital programme budget for 2021-22 to 2030-31 is £71.3m. This consists of £21.9m for the schools refurbishment programme as well as certain specific projects such as £15.2m for Rotherhithe School, £11.1m for Charter school, 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). Rising construction prices related to COVID-19 and Brexit are affecting the

capital programme by increasing demands on existing resources with construction prices rising in excess of 5% per annum and some materials in short supply.

52. There is an additional £5.5m remaining in the Southwark Schools for the Future Capital Programme including the remaining budget for the rebuilding of SILS KS3.
53. The overall context is that there is spare capacity in the primary sector (spread unequally across the borough) because of falling rolls relating to a reduced birth rate, exasperated by Covid-19 and a slowdown 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 pupil places for children with special needs, which is a national issue for all education authorities. The school expansion projects have now been successfully handed over with Charter School East Dulwich being the only key remaining project currently onsite. This includes the sixth form centre and resource base with a targeted completion date of September 2022.
54. The main works on Rotherhithe School 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. In addition, design work on Riverside Primary School is underway to re-provide defective early years classrooms, dining and safe access into the school, with work anticipated to start on site in 2022. Both Riverside and Beormund may need additional capital investment to complete the projects. These projects are being evaluated and will be brought forward if recommended by officers.
55. Any proposals to rationalise the supply of school places to ensure schools can operate their buildings economically may require capital investment from 2022-23. The potential need for any future investment will be brought to a future Cabinet assembly as appropriate.
56. The Primary Schools Refurbishment programme for 2020-21 is now complete and the 2021-22 programme is underway with the majority of the refurbishment works occurring during the school holiday period. Planning is underway for the 2022-23 programme. Under this programme, the decarbonisation strategy for the school estate will be developed to plan for the move away from using fossil fuels in the heating of schools.
57. 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 delay

caused to the new homes scheme and the re-provision of SILS KS4 as part of this project, and this may be subject to a future capital bid.

58. The current programme of works aimed at increasing in-house fostering capacity for the Children and Families Division will be completed in this financial year. 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.

ENVIRONMENT AND LEISURE

59. The total value of the departmental capital programme for the period 2021-22 to 2030-31 is £139.9m. The projected 2021-22 outturn is £29.3m against the budget of £38.5m. The budget for future years has been re-profiled in line with the projected expenditure.
60. The progress of major schemes is outlined below.

Highways

61. The NPR Programme spend at the end of month four is 35% of total budget and fully in line with forecast. The forecast final outturn for capital renewals is £3.4m. The final outturn forecast for Devolved Highways is £600k.
62. The Principal Roads programme spend is currently at 27%, however all remaining spend is expected prior to December.
63. Completion of works under the cycle infrastructure fund has been delayed by the closure of Rye Lane, which was to be used as a diversion route. Completion of these works was expected once restrictions were lifted in July, however the decision has been made to maintain some level of restriction on Rye Lane leading to further delays. Works are now programmed to be completed in January.
64. As previously predicted, increased traffic management rates under the new contract have resulted in a funding shortfall towards the end of the programme in 2024. A review is being undertaken of the programme and funding available with the potential need for a capital growth bid to complete the programme. Full spend is expected this FY with the potential to require funding to be brought forward from next FY.
65. Cycle Superhighway 4 is forecast to start on site during Q3, current forecast for capital budget is based on a top-up being required in excess of the currently allocated TfL funding. Officers are currently in discussion with TfL to secure further grant funding and, if successful, this forecast will be reduced to focus on TfL grant funding, which is time barred.

66. Other priorities have resulted in less work under the school expansion programme being forecast for completion during the 2021 summer break. Some work continues but the majority has been reprogrammed for the 2022 summer break.
67. Issues with procurement of camera enforcement to support the Southwark School Streets programme has resulted in some delays to the programme. The forecast has been adjusted to make allowance for this.
68. Cycle Hangers programme is currently slightly behind forecast but it is still expected to hit the council plan target by end of March. A particularly successful bid for TfL grant funding has resulted in additional funding for cycle parking. This combined with the additional allocation of CIL funding has resulted in less requirement for capital budget this FY. Money will be carried forward to the next FY to support further council plan targets for cycle hangers.
69. A new budget line for Highways CIL Projects has now been accurately forecast through to 2024.
70. St Saviour's Footbridge is now substantially complete within budget and no further costs are expected from this capital budget.
71. Cox's Walk footbridge works has been delayed and the scheme is being reviewed.
72. 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.
73. The team is hard at work getting the new projects off the ground and dealing with the slight backlog due to COVID-19.

Flood Prevention

74. A detailed study has been commissioned for the Paxton Green roundabout area. The area regularly floods when heavy rainfall is experienced and works are to follow on once the report has been received. Various flood alleviation projects are progressing with colleagues on the housing estates to introduce Sustainable Urban Drainage schemes. Work is ongoing across the borough as planned to replace dysfunctional gullies.
75. 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 are 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. Geotechnical investigation results have been received and the detailed design now completed. 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

76. The programme for Lamp column replacement on the basis of structural integrity and lantern replacement for energy consumption reduction is forecasted for full spend. Structural and electrical testing is currently taking place. Materials have been ordered and works are now on site
77. Electric Vehicle lamp post chargers – The planned programme of 50 charge points is forecasted for full spend. All sites have now been selected and materials have been procured.

Parks and Leisure

78. The adjusted forecast spend for 2021-21 on the Leisure Capital Programme is £5.8m with spend to date of £880k. Significant spend committed for the remainder of this year on projects completing or currently in delivery includes:
 - Southwark Park Athletics Centre – completion of building and landscaping works (£693k). Building fit out (£143k)
 - Burgess Park Sports Pavilion and Pitches – Tender underway (£860k)
 - Nunhead East Lodge – Structural Works (£560k)
 - Cossall Park – Contract Awarded. Construction & fees (£527k)
 - Pelier Park – Contract awarded. Construction & fees (£308k)
 - Adventure Playgrounds – Building repairs and play equipment (£225k)
 - Active Southwark, Outdoor Gyms & Flexible Swim & Gym (£600k).

Culture

79. Southwark Heritage Centre and Walworth Library project opened on 19 April 2021. The project is currently on budget and final account will be completed by the end of quarter 3 in 2021-22. Some minor snagging issues are still being dealt with and will be completed by end of defects period Dec 2021.
80. Library infrastructure & IT projects - Rollout & implementation of new RFID self service kiosks was delayed due to COVID-19. This is now on schedule to be completed in September 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-19 – revised milestones are being confirmed with the supplier.

Youth Services

81. No expenditure has taken place up to July. Proposals for this capital budget will be linked to the delivery of the New Youth Deal and are still being shaped. Updated projections will be provided in upcoming monitors

HOUSING AND MODERNISATION

Housing General Fund

Overview

82. The total value of the Housing and Modernisation general fund capital programme for the ten years to 2030-31 is circa £69m and comprises a diverse range of activity, mostly of a corporate back-office nature, which supports wider service delivery across the council. 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. Expenditure for 2021-22 is forecast to be £12m. The key headlines are outlined below.

Asset Management - Housing Renewal

83. 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. Whilst the works programme was curtailed due to the pandemic, full service has now resumed. The service has streamlined processes particularly around DFG applications to reduce delays and increase the number of cases being progressed through the system. To date 60 DFG cases are approved, on site or nearing completion. A further 34 DFG cases currently are at the initial application stage and there are 100 cases waiting to be assessed. Spend of £2.3m is forecast for 2021-22, which includes unspent funding rolled forward from 2020-21.

Asset Management - Corporate Facilities Management (CFM)

84. Facilities management investment targets the council's operational estate to ensure it is fit for purpose and statutorily compliant for the safety and 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. The nature of the pandemic has meant that the programme

has not progressed as planned with a lower forecast of £4.5m for lifecycle and compliance related projects, along with £1.3m delivery on public sector decarbonisation schemes. This funding will be used to install air source heat pumps, solar panels and improved insulation at a range of council-owned buildings which will contribute to the council's net zero carbon reduction target. In addition, CFM provide professional support to service departments across the council on capital investment projects to the value of £1.9m.

85. Following some restructuring and relocation of activities formally within the Modernise division, it is necessary to re-allocate the capital programme resources for "modern ways of working" to CFM (£672k) and Chief Executive's Department (£200k) in line with revised programme management arrangements.

Customer Experience – Technology and Digital Services (TDS)

86. TDS continues to support and manage the investment in the council's IT infrastructure that is critical to improving the on-line experience for residents and enabling them to access the services they need. The current spend forecast is £2.5m on key programmes comprising website replacement, applications transformation, applications migration and Wi-Fi connectivity.

Customer Experience – Smart Working Programme (SWP)

87. This is the second year of the programme and is scheduled to deliver a further £2.3m of investment which follows £5m in the previous year. The unprecedented success of the laptop rollout in response to the pandemic allows resources to shift towards planned upgrades in areas such as telephony, audio-visual capabilities and office 365. All of which contribute to the council's commitment to modernise the way it works and delivers services and create the flexibility needed to drive efficiency and make savings.

Resident Services – Traveller Sites

88. 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, with a forecast spend of £0.2m. 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.

Housing Investment Programme (HIP)

Overview

89. Overall, the HIP is programmed to spend £347.1m in 2021-22, comprising £106.3m on existing stock, £240.1m on new council homes including acquisitions and site assembly costs and £0.7m on wider regeneration schemes. However, the programme is currently under review and over the coming months will see significant change to that presented here 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)

90. 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 2021-22 is forecast to be £69.6m. 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. Re-profiling of the QHIP to take into account new legislative demands around building and fire safety as well as council commitments to reduce carbon emissions is currently being undertaken.

Heat Network Strategy

91. 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 in September 2021. In 2020-21, the council's first residential heat pumps scheme progressed well, with over £5m spent at Consort, Wyndham and Comber and is due to complete in autumn 2021.

Special Schemes (High Needs)

92. 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 including sales receipts to ensure their affordability, outside of the main QHIP programme. Forecast spend of £8.9m is estimated for 2021-22. Significant investment at Maydew on the Abbeyfield Estate will also continue into 2022-23.

Other Programme Schemes

93. The remainder of the main programme covers a wide range of schemes, with spend of £13.4m forecast this year. This includes fire risk assessment, legacy warm dry and safe (WDS) schemes, major works on individual properties and hostels, and works carried out on behalf of the council by Leathermarket JMB.

New Council Homes

94. The council aims to deliver 2,500 new council homes by 2022, with 717 having been built to date. Projects are now on site to deliver 780 new homes, with 29 schemes having received planning permission to deliver a further 939 new homes that will start on site or complete by 2022. 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. During the next few months new homes at Copeland Road will be completed and handed over, while direct delivery schemes at Flaxyard, Wickway, the Albion Sites, Penry Street and Parkhouse Street will also commence on site. In addition, development partnerships at Manor and Braganza, 345 Southwark Park Road and Cherry Gardens will be commencing. This reflects a significant shift in activity following the programme delays experienced due to the pandemic and the lingering uncertainty caused by Brexit.
95. However, cabinet need to be conscious of future programme risks in relation to material shortages and construction price volatility, changes to building safety regulations and climate change requirements and volatility/uncertainty in the housing market. 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.
96. In March 2021, the council entered into a 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 at an estimated cost of £195.5m. 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 further spend of £47.5m is forecast for 2021-22. The new homes are to be delivered in two phases with the first phase now on site (Package A) with the second phase (Package B) due to start in the first half of 2022-23.

Regeneration Schemes

97. Spend on regeneration schemes for 2021-22 is forecast to be £0.7m, with most of the existing schemes drawing to a close. The forecast comprises works on the Aylesbury estate (£0.3m), East Dulwich Estate (£0.2m), and other legacy schemes at Elmington and Elephant and Castle (£0.2m).

Community, equalities (including socio-economic) and health impacts

98. This report monitors expenditure relating to the council's capital programme. 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 projects and programmes were agreed. It is important that resources are efficiently and effectively utilised to support the council's policies and objectives.

Climate change implications

99. This report provides an update on the council's capital programme as a whole and thus has no direct climate change implications. The impact of individual projects and programmes will be considered in line with constitutional requirements as part of the specific decision making and procurement processes.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Governance

100. 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.
101. The capital programme satisfies the council's duty under the Local Government Act 1999 which requires it to make arrangement to secure the continuous improvement in the way its functions are exercised, by having regards to the combination of economy, efficiency and

effectiveness.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Policy and Resources Strategy: Capital Monitoring Outturn Report 2020-21	Southwark council Finance and Governance 160 Tooley Street London SE1 2QH	Timothy Jones, Departmental Finance Manager, Finance and Governance
Link (please copy and paste into browser):		
https://modern.gov.southwark.gov.uk/documents/s98975/Report%20Capital%20Outturn%202021-22.pdf		

APPENDICES

No.	Title
Appendix A	General fund summary monitoring position at Month 4 2021-22
Appendix B	Housing investment programme summary monitoring position at Month 4 2021-22
Appendix C	Budget virements and variations at Month 4 2021-22
Appendix D	General fund programme detail at Month 4 2021-22

AUDIT TRAIL

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

Appendix A - General fund capital programme 2021-22 Month 4

Department	2021/22			2022/23			2023/24+			Total Programme 2021/22-30/31		
	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
Children's and Adults' Services	57,882	33,729	(24,153)	22,687	35,051	12,364	25,104	36,893	11,789	105,673	105,673	-
Southwark Schools for the Future	2,598	2,598	-	-	-	-	-	-	-	2,598	2,598	-
Environment and Leisure	38,543	29,292	(9,251)	31,701	36,602	4,901	69,656	74,006	4,350	139,900	139,900	-
Housing and Modernisation	20,101	12,020	(8,081)	7,850	14,277	6,427	41,500	43,172	1,672	69,451	69,469	18
Chief Executive's	85,753	61,219	(24,534)	49,157	62,530	13,373	25,457	36,618	11,161	160,367	160,367	-
TOTAL EXPENDITURE	204,877	138,858	(66,019)	111,395	148,460	37,065	161,717	190,689	28,972	477,989	478,007	18
FUNDED BY:												
Corporate Resource Pool	8,500	8,500	-	39,700	39,700	-	15,000	15,000	-	63,200	63,200	-
Major Repairs allowance	-	-	-	-	-	-	-	-	-	-	-	-
Supported Borrowing	-	-	-	-	-	-	-	-	-	-	-	-
Reserves	821	102	(719)	-	-	-	3,412	4,131	719	4,233	4,233	-
Revenue	-	-	-	-	-	-	-	-	-	-	-	-
Capital Grants	24,903	2,702	(22,201)	5,427	6,016	589	21,651	43,263	21,612	51,981	51,981	-
Section 106 and CIL	14,988	173	(14,815)	5,391	6,762	1,371	23,116	36,560	13,444	43,495	43,495	-
External Contributions	3,899	-	(3,899)	-	1,100	1,100	184	2,983	2,799	4,083	4,083	-
TOTAL RESOURCES	53,111	11,477	(41,634)	50,518	53,578	3,060	63,363	101,937	38,574	166,992	166,992	-
Financing to be agreed/Borrowing	151,766	127,381	(24,385)	60,877	94,882	34,005	98,354	88,752	(9,602)	310,997	311,015	18

*In the event that there is a shortfall in funding in any particular year, that gap will need to be bridged by borrowing.

Project description	2021/22				2022/23			2023/24			2024/25+			Total Programme 2021/22-30/31		
	Revised Budget	Month 04 Spend	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
Warm Dry and Safe																
Warm Dry and Safe	1,825	201	984	(841)	796	1,637	841	-	-	-	-	-	-	2,621	2,621	-
	1,825	201	984	(841)	796	1,637	841	-	-	-	-	-	-	2,621	2,621	-
Special Schemes/HINE																
Chilton Grove Wall - Decent Homes	769	0	1,357	587	589	2	(587)	-	-	-	-	-	-	1,359	1,359	-
Tustin	3,049	199	2,994	(55)	45	100	55	-	-	-	-	-	-	3,094	3,094	-
Damory/Thaxted externals	1,427	1	1,370	(58)	-	58	58	-	-	-	-	-	-	1,427	1,427	0
Maydew	11,434	731	3,189	(8,245)	-	8,245	8,245	-	-	-	-	-	-	11,434	11,434	0
Lakanal House	39	3	39	-	-	-	-	-	-	-	-	-	-	39	39	-
Ledbury Refurbishment	-	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	16,719	941	8,948	(7,770)	634	8,405	7,770	-	-	-	-	-	-	17,353	17,353	0
Asset management Strategy (Inc. Kitchens & Bathrooms & LD2)																
Asset Management Strategy 2021+Future years (QHIP)	122,083	9,051	65,684	(56,399)	131,205	84,625	(46,580)	68,000	68,000	-	289,967	392,945	102,979	611,254	611,254	-
Installation of LD2	1,945	-	1,945	-	2,000	2,000	-	2,000	2,000	-	13,148	13,148	-	19,093	19,093	-
FRA Contingency Budgets	1,188	-	1,980	792	792	-	(792)	-	-	-	-	-	-	1,980	1,980	-
	125,216	9,051	69,609	(55,607)	133,997	86,625	(47,372)	70,000	70,000	-	303,114	406,093	102,979	632,327	632,327	-
Type 4 Fire Risk Assessment																
Type 4 Fire Risk Assessment	2,866	307	916	(1,950)	7,363	7,801	438	4,000	4,000	-	12,924	14,436	1,512	27,154	27,154	-
	2,866	307	916	(1,950)	7,363	7,801	438	4,000	4,000	-	12,924	14,436	1,512	27,154	27,154	-
Heat Network Strategy																
Heat Network Strategy (including SELCHP Expansion)	11,849	692	11,852	4	15,222	15,218	(4)	15,000	15,000	-	257,868	257,868	-	299,939	299,939	(0)
Consort, Newington and Wyndham District Heating Heat Pur	2,520	1,282	2,520	-	-	-	-	-	-	-	-	-	-	2,520	2,520	-
	14,369	1,974	14,372	4	15,222	15,218	(4)	15,000	15,000	-	257,868	257,868	-	302,459	302,459	(0)
Regeneration																
Aylesbury Estate regeneration	-	349	349	349	-	-	-	-	-	-	-	-	-	-	349	349
East Dulwich Estate	682	80	186	(496)	-	492	492	-	4	4	-	-	-	682	682	0
Elmington Estate	155	-	155	-	-	-	-	-	-	-	-	-	-	155	155	-
Heygate Estate	62	-	62	-	-	-	-	-	-	-	-	-	-	62	62	-
Regeneration Commercial properties	25	-	25	-	-	-	-	-	-	-	-	-	-	25	25	-
	924	428	777	(147)	-	492	492	-	4	4	-	-	-	924	1,273	349
New Builds																
Hostels new build	-	-	12	12	-	-	-	-	-	-	-	-	-	-	12	12
Hidden Homes	1,358	354	1,358	-	106	106	-	34	34	-	-	-	-	1,499	1,499	-
Regeneration and Development	83,056	5,076	55,713	(27,343)	108,549	98,606	(9,944)	36,442	48,965	12,523	8,978	33,742	24,763	237,025	237,025	-
Direct Delivery - New Council Homes Phases 1-5	87,480	12,559	76,343	(11,138)	207,250	219,631	12,381	168,603	168,603	-	86,281	86,281	-	549,614	550,858	1,243
Aylesbury FDS New Build Packages A & B	51,165	6,120	47,480	(3,684)	37,769	47,137	9,368	30,530	33,553	3,023	10,177	1,470	(8,707)	129,640	129,640	-
Tustin Low Redevelopment	6,440	71	6,440	-	3,480	3,480	-	4,330	4,330	-	-	-	-	14,250	14,250	-
Ledbury Towers	1,414	88	1,414	-	3,986	3,986	-	-	-	-	-	-	-	5,400	5,400	-
	230,914	24,268	188,761	(42,153)	361,140	372,945	11,805	239,939	255,486	15,546	105,436	121,493	16,057	937,429	938,685	1,255
Acquisitions																
Acquisitions & S106 properties	47,093	7,571	44,866	(2,228)	13,193	9,919	(3,274)	10,950	11,732	782	49,808	54,527	4,719	121,044	121,044	-
Ledbury Acquisitions	6,455	37	6,455	-	-	-	-	-	-	-	-	-	-	6,455	6,455	-
	53,548	7,608	51,321	(2,228)	13,193	9,919	(3,274)	10,950	11,732	782	49,808	54,527	4,719	127,499	127,499	-
Other programmes																
Adaptations	1,600	172	1,600	-	1,600	1,600	-	1,600	1,600	-	8,442	8,442	-	13,242	13,242	-
Cash incentive & Home owner buy back scheme	515	207	532	17	115	98	(17)	-	-	-	-	-	-	630	630	(0)
Disposals costs	400	35	400	-	400	400	-	400	400	-	158	158	-	1,358	1,358	-
Hostels accommodation	95	-	95	-	-	-	-	-	-	-	-	-	-	95	95	-
Major voids	455	65	493	38	298	261	(38)	-	-	-	-	-	-	753	753	-
Security	103	2	149	46	46	-	(46)	-	-	-	-	-	-	149	149	0
T&RA halls	1,685	-	1,685	-	-	-	-	-	-	-	-	-	-	1,685	1,685	-
Other Installation of Sprinkler & smoke detection	30	-	-	(30)	-	30	30	-	-	-	-	-	-	30	30	-
WDS Leathermarket JMB	3,350	-	3,350	-	3,150	3,150	-	-	-	-	-	-	-	6,500	6,500	-
Aylesbury Fire Remedial works	3,362	486	3,150	(212)	-	212	212	-	-	-	-	-	-	3,362	3,362	0
	11,595	966	11,453	(142)	5,609	5,750	142	2,000	2,000	-	8,600	8,600	-	27,804	27,804	0
	457,976	45,744	347,142	(110,834)	537,953	508,793	(29,160)	341,889	358,222	16,332	737,751	863,018	125,266	2,075,570	2,077,174	1,604
FINANCED BY:																
Capital receipts Leather Market Self financing	3,350	-	3,350	-	3,150	3,150	-	-	-	-	-	-	-	6,500	6,500	-
Capital Receipts	49,756	-	31,875	(17,881)	1,000	18,881	17,881	6,425	4,259	(2,166)	22,700	24,866	2,166	79,881	79,881	(0)
Additional New Build Receipts-SRPP	22,107	-	-	(22,107)	19,475	41,583	22,107	22,568	22,568	-	-	-	-	64,151	64,151	(0)
RTB Receipts - Restricted to New Build (incl buybacks)	22,864	-	17,704	(5,159)	35,503	9,892	(25,611)	13,617	12,457	(1,160)	21,945	53,876	31,930	93,929	93,929	-
Major Repairs Reserves	51,000	-	51,000	-	51,000	51,000	-	51,000	51,000	-	357,000	357,000	-	510,000	510,000	-
Revenue Contribution	20,745	-	20,745	0	20,745	20,745	-	20,745	20,745	-	145,213	145,213	(0)	207,448	207,448	0
New Homes Grant	48,582	-	42,310	(6,272)	33,054	61,721	28,667	29,021	62,817	33,795	67,405	11,215	(56,190)	178,063	178,063	-
Other Grants-External Contribution	772	-	722	(50)	6,210	5,120	(1,090)	5,760	6,103	343	-	798	798	12,742	12,742	-
Section 106 Funds	10,000	-	10,000	-	10,000	10,000	(0)	10,000	10,000	-	18,504	18,504	0	48,504	48,504	-
Borrowing - New Build	135,385	-	134,995	(390)	249,096	247,384	(1,711)	97,813	145,240	47,428	108,377	63,050	(45,327)	590,670	590,670	-
Borrowing - Acquisitions and site assembly	41,803	-	34,441	(7,362)	11,499	6,895	(4,604)	9,243	8,033	(1,211)	15,383	28,558	13,176	77,927	77,927	-
Borrowing - Heat Network	14,369	-	-	(14,369)	15,222	15,218	(4)	15,000	15,000	-	145,565	159,937	14,372	190,155	190,155	-
TOTAL RESOURCES	420,732	-	347,142	(73,590)	455,953	491,589	35,636	281,193	358,222	77,029	902,092	863,018	(39,075)	2,059,970	2,059,970	(0)
Forecast variation (under)/over	37,244	45,744	-	-	82,000	17,204	-	60,697	(0)	-	(164,341)	0	-	15,600	17,204	-

Appendix C - Budget virements and variations 2021-22 M4 monitor											
Project Name	Project Code	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
		£	£	£	£	£	£	£	£	£	£
CURRENT PROGRAMME AT OUTTURN 2020-21		74,288,119	31,765,091	117,451,368	2,598,051	137,958,533	66,860,906	148,905,168	473,774,026	1,942,620,194	2,416,394,220
4 VIREMENTS TO BE APPROVED											
Children's Services											
Ivydale - Boilers and heating distribution	E-1124-0330	324		324					324		324
Townsend - Fire alarm replacement and emergency lighting	E-1143-0330.1	240		240					240		240
Dulwich Wood - Window Repairs, replacement fire doors	E-1129-0330	308		308					308		308
2019/20 Primary Schools refurbishment programme	Contingency	(872)		(872)					(872)		(872)
Camelot - Roof repair works	E-0000-2020.3	94,006		94,006					94,006		94,006
Cobourg - Heating distribution	E-0000-2020.5	5,156		5,156					5,156		5,156
Dulwich Wood - Asbestos removal	E-0000-2020.7	21,763		21,763					21,763		21,763
Lyndhurst - retaining wall repair/rebuild	E-0000-2020.15	2,067		2,067					2,067		2,067
Robert Browning - Boiler & Pipework contingency	E-0000-2020.16	18,318		18,318					18,318		18,318
		(141,310)		(141,310)					(141,310)		(141,310)
LSBU Passmore	E-4200-0152	(166,000)		(166,000)					(166,000)		(166,000)
Nursery Buildings Improvements		(19,000)		(19,000)					(19,000)		(19,000)
Grange		(31,502)		(31,502)					(31,502)		(31,502)
Keyworth	E-1128-0310	(130,649)		(130,649)					(130,649)		(130,649)
Redriff	E-1136-0310	(1,935,605)		(1,935,605)					(1,935,605)		(1,935,605)
Robert Browning	E-1138-0310	(2,673)		(2,673)					(2,673)		(2,673)
Phoenix (refurbishment)	E-1145-0310	(479,056)		(479,056)					(479,056)		(479,056)
The Belham	E-1305-0310	(66,288)		(66,288)					(66,288)		(66,288)
Permanent expansion retention		2,645,773		2,645,773					2,645,773		2,645,773
Thomas Carlton fabric	L-1340-0007	(34,000)		(34,000)					(34,000)		(34,000)
Thomas Carlton ICT	L-1340-0016	328,718		328,718					328,718		328,718
Classrooms	E-1145-0100	(109,718)		(109,718)					(109,718)		(109,718)
SSF											
KS3 SILS	R-6300-0000.14				326,000				326,000		326,000
ICT	R-6300-0000.15				(45,000)				(45,000)		(45,000)
Contingency and retention payments	R-6300-0000.99				(281,000)				(281,000)		(281,000)
Housing and Modernisation											
Operational Buildings Life Cycle Investment	R-4040-0060						672,085		672,085		672,085
Workplace Operational	R-4020-0040						(872,085)		(872,085)		(872,085)
Chief Executive's											
Modal Filters	R-2020-0040.02							33,213	33,213		33,213
Public Transport Access Improvements	R-2020-0040.08							(33,331)	(33,331)		(33,331)
Consort Road	R-2020-0040.10							118	118		118
Non Works	R-4020-0250.01							37,741	37,741		37,741
Walworth Road South(Missing bit of the Jigsaw)	R-1230-0322							(350,000)	(350,000)		(350,000)
Walworth PSiCA	R-4020-0068.01							350,000	350,000		350,000
Strategic Property Purchase	R-4020-0150.06							(49,296)	(49,296)		(49,296)
711 – 717 Old Kent R	R-4020-0150.11							11,555	11,555		11,555
Workplace Operational	R-4020-0400.01							200,000	200,000		200,000
HRA											
Tustin	Tustin									44,913	44,913
Asset Management Strategy (QHIP)	NPHS									54,744	54,744
Installation of LD2	NPHS-LD2									(54,744)	(54,744)
Hidden Homes	regHidH									(44,913)	(44,913)
TOTAL VIREMENTS TO BE APPROVED AT 4		-	-	-	-	-	(200,000)	200,000	-	-	-
4 - VARIATIONS TO BE APPROVED											
Children's											
Redriff	E-1136-0310	(380,000)		(380,000)					(380,000)		(380,000)
Environment and Leisure											
Peckham Rye ward	L-2403-2016					6,700			6,700		6,700

Project Name	Project Code	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
CIL 2021- CGS	L-7000-2021.01					142,000			142,000		142,000
MAQF Project (Walworth LEN)	L-6200-0062					76,000			76,000		76,000
CIL 2021- Highways	L-7000-2021.02					1,043,437			1,043,437		1,043,437
CIL 2021- Parks	L-7000-2021.03					673,134			673,134		673,134
Housing and Modernisation											
Public Sector Decarbonisation Scheme	G-4040-0010						1,304,315		1,304,315		1,304,315
Chief Executive's											
Local Environment Improvements	R-2020-0040.06							(2,845)	(2,845)		(2,845)
Cycle Parking	R-2020-0040.07							(17,540)	(17,540)		(17,540)
Public Transport Access Improvements	R-2020-0040.08							(11,046)	(11,046)		(11,046)
Bermondsey Street	R-2020-0040.11							(1,408)	(1,408)		(1,408)
Movement Plan, Test and Evaluate	R-2020-0040.12							(3,942)	(3,942)		(3,942)
RMP 87 Dog Kennel Hill	R-2020-0060.02							44,790	44,790		44,790
Blackfriars LTN	R-2020-0070.02							(180,000)	(180,000)		(180,000)
Local Transport Fund	R-2021-0040.01							16,000	16,000		16,000
Movement Plan, Test	R-2021-0040.02							35,000	35,000		35,000
Support for ETO proc	R-2021-0040.03							250,000	250,000		250,000
Low Traffic School Z	R-2021-0040.04							110,000	110,000		110,000
Low Carbon Transport	R-2021-0040.05							190,000	190,000		190,000
Bermondsey Street - support for ETO	R-2021-0040.06							68,000	68,000		68,000
Great Suffolk Street/Southwark Bridge Road - support for ETO	R-2021-0040.07							88,000	88,000		88,000
RMP 3430032 Peckham Rye	R-2021-0060.01							20,000	20,000		20,000
Cycleway 7 Southwark Bridge Road	R-2021-0080.01							68,000	68,000		68,000
Peckham Rye LTN	R-2021-0080.02							68,000	68,000		68,000
Rotherhithe to Peckham Cycleway	R-2021-0080.03							65,000	65,000		65,000
Cycling Wayfinding Signage	R-2021-0080.04							40,000	40,000		40,000
Construction Skills Centre for South London(NHB)	R-4020-0230							57,947	57,947		57,947
Leathermarket Garden Community Spaces & Environment	R-7000-2021.05.01							415,000	415,000		415,000
Whole Ward + Chaucer Ward	R-7000-2021.05.02							10,000	10,000		10,000
Guys Park	R-7000-2021.05.03							25,000	25,000		25,000
Greenland Dock	R-7000-2021.05.04							20,000	20,000		20,000
Greenland Dock - Red Bridge	R-7000-2021.05.05							50,000	50,000		50,000
Lavender Pond Nature Reserve	R-7000-2021.05.06							30,000	30,000		30,000
The Blue, Market Place	R-7000-2021.05.07							325,094	325,094		325,094
Albion Street	R-7000-2021.05.08							20,000	20,000		20,000
Livesey Exchange	R-4020-0063.01							816,000	816,000		816,000
Kentish Drover Ceram	R-4020-0067							252,450	252,450		252,450
Old Kent Road Public Realm	R-4020-0069							34,902	34,902		34,902
Black History Walk	R-7000-2021.06.01							5,000	5,000		5,000
Rye Lane Ward	R-7000-2021.06.02							104,731	104,731		104,731
Peckham New Accommodation	R-7000-2021.06.03							30,000	30,000		30,000
Peckham Rye Station	R-7000-2021.06.04							50,000	50,000		50,000
Peckham Square	R-7000-2021.06.05							67,159	67,159		67,159
Rockingham Community Centre	R-7000-2021.06.06							5,000	5,000		5,000
Camberwell Station Road	R-4020-0071.01							1,000,000	1,000,000		1,000,000
Marlborough Sports Garden	R-7000-2021.07.01							1,125,000	1,125,000		1,125,000
56 Southwark Bridge Rd	R-7000-2021.07.02							50,000	50,000		50,000
Brookwood Triangle Community Garden	R-7000-2021.07.03							25,000	25,000		25,000
Blackfriars Settlement	R-7000-2021.07.04							10,000	10,000		10,000
Jack Hobbs Centre	R-7000-2021.07.05							75,000	75,000		75,000
Walworth Living Room	R-7000-2021.07.06							150,000	150,000		150,000
Queensborough Community Centre	R-7000-2021.07.07							10,000	10,000		10,000
Theatre Peckham, Havill Street	R-7000-2021.07.08							5,000	5,000		5,000
Walworth Garden	R-7000-2021.07.09							175,000	175,000		175,000
719-727 Old Kent Road	R-4020-0150.13							4,400,000	4,400,000		4,400,000
Murdock Street	R-4020-0150.14							150,600	150,600		150,600
Folgate Estate	R-4020-0150.15							625,000	625,000		625,000
Void Shops & Council Owned Parade	R-4020-0140							250,000	250,000		250,000
44 Webber Street	R-4020-0370							46,577	46,577		46,577
HRA											
Wooddene - Acorn Plant Reprovision	regOth									(27,128)	(27,128)
Hidden Homes	regHidH									(115,081)	(115,081)
Regeneration and Development	SRPP									6,079,021	6,079,021

Project Name	Project Code	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
Direct Delivery - New Council Homes Phases 1-5	regDDPHs									117,596,089	117,596,089
Tustin Low Redevelopment	TuslowR									14,240,000	14,240,000
Ledbury Towers	LedTowApp									5,400,000	5,400,000
Acquisitions and site assembly for new council homes	regProp									(10,223,500)	(10,223,500)
Direct Delivery - New Council Homes Phases 1-5	regDDPHs									0	-
Asset Management Strategy (QHIP)	NPHS									0	-
TOTAL VARIATIONS TO BE APPROVED AT 4		(380,000)	-	(380,000)	-	1,941,271	1,304,315	11,261,469	14,127,055	132,949,401	147,076,456
TOTAL PROGRAMME BUDGET VIREMENTS & VARIATIONS AT 4 2021/22		(380,000)	-	(380,000)	-	1,941,271	1,104,315	11,461,469	14,127,055	132,949,401	147,076,456
REVISED BUDGETS		73,908,119	31,765,091	117,071,368	2,598,051	139,899,803	67,965,221	160,366,637	487,901,080	2,075,569,596	2,563,470,676
VIREMENTS & VARIATIONS REQUESTED TO BE APPROVED FINANCED BY:											
Corporate Resources / Capital Receipt		-	-	-	-	-	(200,000)	496,577	296,577	725,621	1,022,198
Major Repairs Allowance		-	-	-	-	-	-	-	-	-	-
Reserves		-	-	-	-	-	-	-	-	-	-
Revenue		-	-	-	-	-	-	-	-	-	-
Capital Grant		-	-	-	-	76,000	1,304,315	8,090,059	9,470,374	65,229,368	74,699,742
Section 106 and CIL		-	-	-	-	1,858,571	-	2,874,833	4,733,404	(80,557)	4,652,847
External Contribution		(380,000)	-	(380,000)	-	6,700	-	-	(373,300)	-	(373,300)
Supported Borrowing		-	-	-	-	-	-	-	-	67,074,969	67,074,969
TOTAL RESOURCES		(380,000)	-	(380,000)	-	1,941,271	1,104,315	11,461,469	14,127,055	132,949,401	147,076,456

Appendix D - General fund capital programme 2021-22 detail

Description of Programme / Project	2021/22				2022/23			2023/24 - 2030/31			Total Programme 2021/22-2030/31		
	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
Environment and Leisure													
Cleaner Greener Safer	3,193	267	3,193	0	3,306	3,306	0	11,780	11,780	0	18,279	18,279	0
Cycle Superhighway 4 Project	500	0	500	0	2,409	2,409	0	0	0	0	2,909	2,909	0
Southwark School Streets	600	15	200	(400)	910	910	0	1,184	1,584	400	2,694	2,694	0
Cycle Hangers	500	0	350	(150)	209	359	150	0	0	0	709	709	0
Other PR Projects	3,680	67	3,285	(394)	1,547	1,941	394	1,131	1,131	0	6,358	6,358	0
StreetCare	6,179	1,570	6,179	0	6,440	6,440	0	30,514	30,514	0	43,133	43,133	0
Air Quality	300	56	300	0	0	0	0	0	0	0	300	300	0
Air Quality Action Plan & Climate Emergency Delivery Proj	1,105	0	1,105	0	15	15	0	0	0	0	1,120	1,120	0
Regulatory Services	121	30	121	0	0	0	0	0	0	0	121	121	0
Carbon Reduction Investment	1,650	0	1,650	0	538	538	0	0	0	0	2,188	2,188	0
Climate Emergency	2,500	0	2,500	0	2,500	2,500	0	20,000	20,000	0	25,000	25,000	0
Street Metal Works	3,017	0	890	(2,127)	1,450	1,450	0	0	2,127	2,127	4,467	4,467	0
Walworth Library & Heritage Centre	334	0	334	0	333	333	0	333	333	0	1,000	1,000	0
Youth Services	668	(107)	668	0	0	0	0	0	0	0	668	668	0
Culture	253	0	253	0	0	0	0	0	0	0	253	253	0
Cemetery Burial Strategy	813	(8)	190	(623)	621	621	0	0	623	623	1,434	1,434	0
Nunhead Cemetery Wall Repair	81	5	81	0	0	0	0	0	0	0	81	81	0
East Lodge Nunhead Cemetery	561	21	548	(13)	0	13	13	0	0	0	561	561	0
Drinking Water Fountains throughout Southwark	57	0	0	(57)	0	57	57	0	0	0	57	57	0
Adventure Playground	184	0	11	(173)	0	1	1	0	173	173	184	184	0
Tree Planting	1,192	153	750	(442)	1,200	1,200	0	2,200	2,642	442	4,592	4,592	0
Parks	7,232	97	3,456	(3,776)	8,719	12,344	3,626	814	964	150	16,765	16,765	0
South Dock Marina	563	20	311	(252)	0	252	252	0	0	0	563	563	0
Active Southwark Community Investment Fund	400	0	300	(100)	100	200	100	0	0	0	500	500	0
Leisure	2,858	792	2,114	(744)	1,406	1,714	308	1,700	2,136	436	5,963	5,963	0
Environment and Leisure Total	38,543	2,977	29,292	(9,251)	31,701	36,602	4,901	69,655	74,006	4,351	139,900	139,900	0
Chief Executive's													
Transport Policy & Planning	2,477	879	2,477	0	400	400	0	0	0	0	2,878	2,878	0
Walworth Town Hall	2,632	78	350	(2,282)	0	2,282	2,282	0	0	0	2,632	2,632	0
Canada Water Leisure Centre	8,439	2,138	5,500	(2,939)	21,975	16,000	(5,975)	2,000	10,914	8,914	32,414	32,414	0
Blue Market Regeneration Programme	1,333	445	1,333	0	0	0	0	0	0	0	1,333	1,333	0
Revitalising the Blue	1,750	0	750	(1,000)	250	1,250	1,000	0	0	0	2,000	2,000	0
Riverside Walk	1,387	12	100	(1,287)	100	1,287	1,187	0	100	100	1,487	1,487	0
Regeneration North	6,234	984	2,874	(3,360)	69	3,397	3,328	0	32	32	6,303	6,303	0
Revitalising Camberwell	2,095	0	0	(2,095)	0	1,000	1,000	0	1,095	1,095	2,095	2,095	0
Peckham Rye Station Redevelopment	9,356	(562)	6,541	(2,815)	6,871	9,686	2,815	0	0	0	16,228	16,228	0
The Old Vic	1,000	0	0	(1,000)	2,736	2,736	0	0	1,000	1,000	3,736	3,736	0
Regeneration South	23,153	(2,015)	17,607	(5,546)	4,200	9,726	5,526	340	360	20	27,693	27,693	0
21-23 Parkhouse Street	1,675	0	50	(1,625)	0	3,356	1,625	0	0	0	3,406	3,406	0
Peckham Library Square	554	67	554	0	6,025	6,025	0	0	0	0	6,579	6,579	0
Regeneration Capital	1,734	0	1,650	(84)	0	84	84	0	0	0	1,734	1,734	0
Strategic Acquisitions	15,807	15	15,307	(500)	0	500	500	0	0	0	15,807	15,807	0
Property Services	1,126	170	1,126	0	0	0	0	0	0	0	1,126	1,126	0
Elephant & Castle Regeneration	4,800	0	4,800	0	4,800	4,800	0	23,116	23,116	0	32,716	32,716	0
Employment Experience	200	0	200	0	0	0	0	0	0	0	200	200	0
Chief Executive's Total	85,753	2,211	61,219	(24,534)	49,157	62,530	13,373	25,456	36,617	11,161	160,367	160,367	0

Appendix D - General fund capital programme 2021-22 detail

Capital Programme 2021/22 - 2030/31	2021/22				2022/23			2023/24 - 2030/31			Total Programme 2021/22-2030/31		
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
Children's and Adults' Services													
Adult PSS Capital Allocations	500	0	500	0	500	500	0	4,285	4,285	0	5,285	5,285	0
Telecare expansion	143	0	143	0	0	0	0	0	0	0	143	143	0
Lifecycle capital prog- Anchor homes	2,867	145	500	(2,367)	1,157	0	(1,157)	1,408	4,932	3,524	5,432	5,432	0
Lifecycle capital prog- ASC properties	606	153	606	0	788	788	0	8,911	8,911	0	10,305	10,305	0
Mosaic Management Information Development	600	0	600	0	0	0	0	0	0	0	600	600	0
Bed Based Care	5,000	0	5,000	0	5,000	5,000	0	0	0	0	10,000	10,000	0
2018/19 Primary Schools refurbishment programme	1,584	23	40	(1,544)	0	0	0	0	1,544	1,544	1,584	1,584	0
2019/20 Primary Schools refurbishment programme	2,095	1	70	(2,025)	0	10	10	0	2,015	2,015	2,095	2,095	0
Primary Schools refurbishment programme 2020/21	687	192	677	(10)	0	10	10	0	0	0	687	687	0
Primary Schools refurbishment programme 2021/22	3,500	72	3,325	(175)	0	175	175	0	0	0	3,500	3,500	0
Autism Spectrum	0	0	0	0	900	0	(900)	0	900	900	900	900	0
Beormund Primary School Redevelopment	3,222	0	3,222	0	8,389	8,389	0	(0)	(0)	0	11,611	11,611	0
Healthy Pupils Programme	98	0	98	0	0	0	0	0	0	0	98	98	0
Ilderton School	169	0	0	(169)	0	0	0	0	169	169	169	169	0
LSBU Passmore	84	0	84	0	0	0	0	0	0	0	84	84	0
Permanent Expansion	14,741	657	10,095	(4,646)	500	2,500	2,000	0	2,646	2,646	15,241	15,241	0
Primary Schools refurbishment programme	0	0	0	0	3,500	3,500	0	10,500	10,500	0	14,000	14,000	0
Riverside Primary School	2,926	43	307	(2,619)	500	2,500	2,000	0	619	619	3,426	3,426	0
Retention	373	0	0	(373)	0	0	0	0	373	373	373	373	0
Rotherhithe Primary School Expansion	13,723	3,161	6,697	(7,026)	1,453	8,479	7,026	0	0	0	15,176	15,176	0
SEND and disabilities development	1,765	76	1,765	0	0	0	0	0	0	0	1,765	1,765	0
Southwark Inclusive Learning Service KS4	3,200	0	0	(3,200)	0	3,200	3,200	0	0	0	3,200	3,200	0
Troubled Families	0	82	0	0	0	0	0	0	0	0	0	0	0
Children's and Adults' Services Total	57,882	4,605	33,729	(24,153)	22,687	35,051	12,364	25,104	36,893	11,789	105,673	105,673	0
Southwark Schools for the Future													
KS3 SILS	524	249	524	0	0	0	0	0	0	0	524	524	0
Contingency and retention payments	2,074	0	2,074	0	0	0	0	0	0	0	2,074	2,074	0
Southwark Schools for the Future Total	2,598	249	2,598	0	0	0	0	0	0	0	2,598	2,598	0
Housing and Modernisation													
Housing Renewal	2,445	139	2,348	(97)	2,187	2,106	(81)	16,335	16,513	178	20,967	20,967	0
Gypsy and Travellers Site Fire Safety Reconfiguration	184	15	202	18	0	0	0	0	0	0	184	202	18
IT Investment Schemes	6,011	196	2,490	(3,521)	125	6,655	6,530	8,285	5,275	(3,010)	14,421	14,421	0
Smart Working Programme	3,237	140	2,518	(719)	0	0	0	369	1,088	719	3,606	3,606	0
Operational Buildings Life Cycle Investment	6,392	749	2,836	(3,555)	5,138	5,035	(103)	8,011	11,669	3,658	19,540	19,540	0
PPM & Compliance Programme (CRP)	480	19	320	(160)	400	480	80	8,501	8,581	80	9,381	9,381	0
Public Sector Decarbonisation Scheme	1,304	0	1,304	0	0	0	0	0	0	0	1,304	1,304	0
Queens Road 4	47	1	1	(46)	0	0	0	0	46	46	47	47	0
Housing and Modernisation Total	20,101	1,259	12,020	(8,081)	7,850	14,277	6,426	41,500	43,173	1,672	69,451	69,469	18
Capital Programme 2021/22-2030/31	Total General Fund Programme												
	2021/22				2022/23			2023/24 - 2030/31			Total Programme 2021/22-2030/31		

Appendix D - General fund capital programme 2021-22 detail

Capital Programme 2021/22 - 2030/31	2021/22				2022/23			2023/24 - 2030/31			Total Programme 2021/22-2030/31		
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
	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
Total Expenditure	204,877	11,302	138,859	(66,019)	111,396	148,460	37,064	161,716	190,688	28,973	477,989	478,007	18
Total Resources	53,111	0	11,477	(41,634)	50,518	53,578	3,060	63,363	101,937	38,574	166,992	166,992	0
Forecast variation (under)/over	151,766	11,302	127,382	(24,385)	60,878	94,882	34,004	98,353	88,751	(9,601)	310,997	311,015	18
Cumulative position					212,644	222,264	9,619	310,997	311,015	18	310,997	311,015	18

Item No. 10.	Classification: Open	Date: 14 September 2021	Meeting Name: Cabinet
Report title:		Marie Curie – Safety works and resident rehousing offers	
Ward(s) or groups affected:		St Giles	
Cabinet Member:		Councillor Stephanie Cryan, Council Homes and Homelessness	

FOREWORD - COUNCILLOR STEPHANIE CRYAN, CABINET MEMBER FOR COUNCIL HOMES AND HOMELESSNESS

Keeping our residents safe in their homes is of paramount importance to us as a landlord and where we fall short of this commitment we need to act to rectify this immediately. This report highlights the safety issues found at Marie Curie House on Sceaux Gardens Estate in Camberwell and sets out the proposed works that need to be carried out as well as the ongoing resident engagement.

In November we were contacted by a resident who was concerned about a potential breach in the compartmentation of Marie Curie House as they reported smells from incense and scented candles in a neighbour’s flat. Following this we carried out an intensive fire risk survey in an empty flat in the block and found that there was a possibility of a breach in fire safety compartmentation. The works that need to be carried out in each flat are quite intrusive and require the block to be empty. This means that we have had to take the decision to rehouse residents whilst these vital works are carried out. All tenants have been give Band 1 priority on our Housing Allocations list and we are working through the options for each leaseholder which includes the option for the council to buy back their property should they wish. All tenants will be rehoused in Southwark, unless they request an alternative location, and all have the right to return to their homes once the works have completed.

In order to support the tenants and residents we have begun an extensive engagement process, including setting up a Resident Project Group that meets monthly, a weekly newsletter and a drop in session for residents three days a week. I know this is a very worrying and stressful situation for everyone living in Marie Curie House and we are committed to providing whatever support is needed.

I want to thank the members of the Resident Project Group, the Sceaux Gardens Tenants and Residents Association, the St Giles ward councillors and Harriet Harman MP who are supporting residents and advocating on their behalf.

RECOMMENDATIONS

Recommendations for the Cabinet

That cabinet:

1. Notes the detailed ongoing resident engagement to date and thanks the Marie Curie Resident Project Group (comprising resident volunteers that meets monthly) for their continued work to date.
2. Endorses the offer made to tenants and leaseholders set out in the 'information to tenants' and 'information to leaseholders' documents appended to the report.
3. Approves the start of individual negotiations to acquire leasehold interests (lease buy-backs) for those leaseholders who have opted to move permanently from Marie Curie.
4. Endorses the commissioning of an independent review of fire safety at Marie Curie and requires the outcome of that review to be reported to a meeting of the Cabinet in due course.
5. Receives a further report setting out progress on the works and the rehousing of the tenants within Southwark.

Recommendation for the Leader of the Council

6. Delegate approval of compensation packages for the acquisition of individual leasehold interests to the Director of Planning and Growth in consultation with the Strategic Director of Housing and Modernisation.

BACKGROUND INFORMATION

7. Marie Curie is a 16 storey block of 98 two bedroomed maisonettes built in circa 1958 by the London County Council. It is a sister block to Lakanal. Both blocks are part of the Sceaux Gardens Estate that transferred firstly to the Greater London Council in 1965 and secondly to Southwark Council in 1982. Of the 98 properties, 11 are sold on a leaseholder basis.
8. The block is described as a scissor block, which means that instead of the internal floors of a maisonette property being directly above each other, the floors cross under the communal access corridor that runs through the block and as a result one floor is on one side of the block and the other floor is on the other side of the block.
9. Marie Curie was originally part of the wider Sceaux Gardens 2019/21 major works programme under the Quality Housing Investment Programme (QHIP) which is currently in what is known as the detailed design phase.

10. A decision was taken in December 2020 to progress Marie Curie as a separate scheme due to potential building safety issues identified within the building.
11. As the building is above 6 storeys it is subject to an annual Fire Risk Assessment. Following reports of the fragrance from burning incense being smelt in a neighbouring property, a fire compartmentation void survey was completed by LBS in November 2020. The Fire Compartmentation Survey is contained in Appendix One to this report.
12. On consideration of the Fire Risk Assessment which showed that there was a possibility of the compartmentalisation of the homes being breached, a 24 hour waking watch was introduced in the block on 27th November 2020, pending a communal fire alarm being installed (LD5) and an upgraded internal smoke and heat detector (LD1) to residential properties. A more intrusive void survey was requested via a 3rd party accredited contractor (PG) works included removing floating floors , penetrating solid walls, removing partition walls & fixtures and fittings such as kitchen units and bathroom components and therefore this work was carried out in a void dwelling.
13. Works to install the communal fire system and upgraded internal smoke and fire detection were in the main completed by the end of January 2021 with the exception of five dwellings due to Covid related issues. The communal system was fully commissioned and went "live "on 7th May 2021. The remaining properties were completed on 24th May 2021. A fire risk assessment review was completed in May 2021 with recommendation of 3 monthly reviews. The intrusive compartmentation survey of a void property was undertaken in December 2020. A Fire Engineer was appointed by Engie to produce a Fire Strategy for the block and their report was issued in March 2021.
14. The findings of the intrusive compartmentation survey and the Fire Strategy were reviewed and incorporated in the overall feasibility report for works recommended to the building including the QHIP works. The feasibility made recommendations as to the works required including the need to deliver these in part to an empty building. The final draft report was received, and recommendations agreed by officers in May 2021 and is attached as Appendix Two to this report.
15. The overall works required to the building are extensive in terms of disruption to residents. Following discussions it was proposed that these be delivered in two phases to minimise as far as possible disruption to residents. It is proposed that Phase 1 can be reasonably carried out with residents in occupation as is similar in nature to the type of work normally delivered through major works programmes. Phase 2 includes more intrusive works and cannot be reasonably delivered with residents in situ.
16. A public meeting was called to explain this to residents and was held by

Zoom on 25 May 2021, because of social distancing restrictions. The meeting was advertised through a monthly Marie Curie newsletter that had been initially issued as part of the emergency works in November 2020. Both tenants and leaseholders were advised that they can either choose to move temporarily and move back to their home when the works are complete or move permanently.

17. Holding a Zoom meeting to impart such difficult news was difficult and the meeting was poorly attended. Normally at a public meeting such as this handouts would be available and residents would have the opportunity to speak to Officers at the end of the meeting to discuss individual concerns. Therefore during the presentation at the Zoom meeting, Officers arranged for a pack to be delivered to all homes with a covering letter setting out the situation together with information for tenants (attached as Appendix Three to this report) and for leaseholders (attached as Appendix Four to this report). The letter also explained that Officer would be available to take telephone calls after the meeting using the 24/7 facility of the Ledbury Team.
18. The information to tenants and leaseholders sets out Southwark Council's offer covering their home, financial implications, and the works required and fire safety. The offer was put together with an urgency in order to allay residents' fears about what moving either temporarily or permanently from Marie Curie would mean for them. The Offer was developed by officers and the Cabinet member and Leader of the Council were consulted on the content.
19. Tenants can choose to either move permanently to a new home or move temporarily in order to move back to Marie Curie when the works are complete. Leaseholders can similarly move either permanently or temporarily. The permanent move option for leaseholders is that we will offer to buy back their properties for them to find a property elsewhere to buy. For leaseholders that want to be housed temporarily whilst we carry out the works, they want to know what the costs of the works will be before making a decision. These detailed costs will not be known until October 2021.
20. In summary the offer to tenants is:

	Secure Tenants	Comments
a)	Permanent move or temporary move within Southwark	Right to return to Marie Curie only for those moving temporarily. Tenants electing to move permanently to be provided with first refusal of suitable accommodation at Cezanne House, a new build block on the estate.

	Secure Tenants	Comments
b)	Band 1 Rehousing Status	To accommodate permanent moves
c)	Same size property as current (even if under-occupying)	For both temporary and permanent moves.
d)	Can elect to apply for smaller property under Smart Move – will receive Smart move payment (in addition to payments referred to below)	Permanent moves
e)	If currently overcrowded, entitled to larger property but will not be able to move back to Marie Curie as Marie Curie only has 2 bed properties	Permanent moves
f)	Lump sum inconvenience payment of £6,500. Arrears and other sums owed to council will be deducted from lump sum payment	For both temporary and permanent moves
g)	Incidental costs of move (reasonable costs relating to soft furnishings such as curtains and carpets) disconnection costs (phones, tv etc.) and post redirection costs, and cost of replacement cooker/hob if required (if requirement to use electricity in 'move to' accommodation)	For both temporary and permanent moves
h)	Cost of removals and disconnection costs (e.g. cookers, washing machines and dishwashers) paid for directly by council	For both temporary and permanent moves
i)	For temporary moves – rent will be no more than is paid at Marie Curie, although service charge may be different. If a tenant moves back to Marie Curie after work completed there may be changes to service charges. For permanent moves – rent will be the amount usually charged for the property allocated.	

21. In summary the offer to leaseholders is:

	Resident Leaseholders	Non Resident Leaseholders
a)	<ul style="list-style-type: none"> • Buy back the Marie Curie property or • Provided with temporary accommodation & return to block. Temporary accommodation provided through a licence to occupy. The leaseholder will not have to pay rent on temporary property, but will need to pay Council Tax and service charges (no Council Tax or service charge payable on Marie Curie property). The leaseholder will need to continue to pay mortgage on Marie Curie property. 	<ul style="list-style-type: none"> • Buy back the Marie Curie property or • Provided with temporary accommodation & return to block. Temporary accommodation provided through an appropriate arrangement to be agreed with the leaseholder. The leaseholder will not have to pay rent on temporary property, but will need to pay Council Tax and service charges (no Council Tax or service charge payable on Marie Curie property). The Leaseholder will need to continue to pay mortgage on Marie Curie property.
b)	<ul style="list-style-type: none"> • Lump sum inconvenience payment of £6500 (both temporary and permanent moves) 	<ul style="list-style-type: none"> • No inconvenience payment to non-resident leaseholders
c)	<p>For temporary moves</p> <ul style="list-style-type: none"> • Incidental cost of move • Removal and disconnection costs (white goods). • Costs of moving back to Marie Curie. 	<p>For temporary moves</p> <ul style="list-style-type: none"> • Leaseholders tenant (if Tenant for more than 12 months) – financial help - reasonable costs relating to soft furnishings – curtains, carpets and disconnection of services • Leaseholder also reimbursed for incidental costs of the move • Removal and disconnection (paid direct by council) • Costs of leaseholder’s tenant moving back where temporary move

	Resident Leaseholders	Non Resident Leaseholders
d)	For permanent moves <ul style="list-style-type: none"> • Removal and disconnection costs of white goods paid direct by council • Solicitors fee, surveyors fees, mortgage redemption, redirection of post 	For permanent moves (buy backs) <ul style="list-style-type: none"> • Removal and disconnection cost of white goods paid direct by council • Valuation costs and reasonable legal expenses

22. A team of two Resident Services Officers have now been seconded to the Ledbury Team to support the Marie Curie residents. The officers are carrying out surgeries for Marie Curie residents at the Sceaux Gardens TRA Hall on Mondays, Wednesdays and Fridays between 10am and 2pm. The officers are contacting residents weekly to see what support is needed. In addition residents of Marie Curie can speak to Officers using the 24/7 facility of the Ledbury Team.
23. Since 4 June 2021 a weekly newsletter has been produced for Marie Curie residents, an example is attached as Appendix Five to this report
24. Open Communities were appointed to the QHIP project in early 2020 to provide the residents with independent advice and support. Open Communities have been working with the wider estate since 2014 when the Lakanal refurbishment works were commenced. This service includes organising and chairing the monthly Resident Project Group (RPG) meetings. This work continues and they are available for Marie Curie residents.
25. Residents have also requested mental health support. The Southwark Wellbeing Hub has been signposted as it provides information and support for anyone in Southwark worried about their mental wellbeing, or that of someone close to them.
26. Many residents are aware of the 28 homes on the Sceaux Gardens Estate, at Cezanne. This will consist of following new homes:
- 1 Bedroomed property - 8 homes (including a wheelchair accessible home)
 - 2 Bedroomed property - 14 Homes (including 2 wheelchair accessible homes)
 - 3 Bedroomed property - 6 Homes.
- All residents from Marie Curie have first refusal of these homes before it is allocated to the wider estate and then the wider housing register.
27. As of 31 August 2021, of the 98 properties; 82 are tenanted. 11 are leasehold and 5 are now empty. Of the 82 remaining tenants, 71 are registered for rehousing within Southwark. 3 tenants have accepted an offer of permanent accommodation in Southwark. 22 tenants are awaiting

a viewing for the 12 two bedroomed properties at Cezanne. 8 tenants are awaiting a viewing for the 6 three bedroomed properties at Cezanne. 7 properties have been offered and refused.

28. The Director of Ledbury is chairing a fortnightly meeting with the Residents Services Officers to discuss the rehousing needs of each resident and the level of support required to bid for alternative accommodation. Of the 82 remaining tenants, 78 have told us that they would like to be rehoused permanently.
29. As vacant possession is required to carry out the works, leaseholders have also been given the opportunity to move either temporarily or permanently. For those leaseholders who want to move permanently the Council will acquire those residential leasehold interests.
30. This report seeks approval to acquire those properties where the leaseholder has opted to move on a permanent basis.

KEY ISSUES FOR CONSIDERATION

Works to be undertaken

31. Phase 1 - External refurbishment works to some of the communal areas, including the external envelope (all scaffold dependent works):
 - Under window panel renewals
 - Balcony balustrading renewals
 - Roofing renewal
 - External and some communal decorations
 - Concrete repairs, brickwork and pointing
 - Asphalt repairs
 - Asbestos removal (where required)
 - Fire Risk Assessment (FRA) works (including but not limited to refuse chute hopper upgrade/renewal; communal door renewals; window panel renewal; ventilation to communal corridors.
32. Phase 2 – works in properties and communal
 - Door renewals including front entrance doors ; secondary means of escape doors and internal doors
 - Communal decorations
 - Internal refurbishment works to properties including compartmentation and fire safety works
 - FRA works (including communal corridors)
 - Asbestos removal where required to carry out works.
 - Landlords electrics
 - Services (renewal of services and risers within block / properties
 - Removal of gas from block
 - Heating works

- Replacement of communal ventilation system with individual ventilation (this will also require the replacement of one bedroom window in each property)
 - Removal of gas supply from block
 - Installing an automated fire suppression system – Options appraisal to be provided for consideration on sprinklers or misting systems
 - Options appraisal on upgrade works to under-croft for non-residential accommodation.
33. The estimated programme for works is for phase 1 to commence in January 2022 with phase two commencing when the block is fully empty. For programming purposes this is allowed for as June 2022.

Independent Review

34. Significant works to Lakanal were undertaken in 2016/17 while the building remained empty. Works requiring residents in Marie Curie to move out of their homes are similar in nature and this has led to questions as to why the works were not undertaken at Marie Curie at the same time.
35. An independent review is being commissioned to review Marie Curie with a view to a report being provided towards the end of 2021.

Policy framework implications

Rehousing

36. The existing housing allocations scheme takes into considerations circumstances where residents are required to move to enable essential works to be completed within the property. This entitles tenants to the highest priority band 1 and has been applied to Marie Curie residents. Households would generally be rehoused into new properties based on their bed need, however in order to facilitate moves, we have agreed households who are under occupying can bid for the same size property. Where a household decides to downsize, we will offer the incentive payment in addition to any homeless payment.

Community, equalities (including socio-economic) and health impacts

Community impact statement

37. As well as the 98 homes at Marie Curie there are two community projects and the Sceaux Gardens TRA that are based in the block.
38. Understandably these are much valued community assets and the council is committed to working with the TRA, the Bike Project and Makerspace to keep the organisations going during the works. The works that have to be done to the block includes the pipework and wiring that run from the top to the bottom of the block and these probably run through the stilts that

are in the community space areas. If they have to move, we will work with them to provide alternative space.

Equalities (including socio-economic) impact statement

39. Section 149 of the Equality Act, lays out the Public Sector Equality Duty (PSED) which requires public bodies to consider all individuals when carrying out their day to day work – in shaping policy, in delivering services and in relation to their own employees. It requires public bodies to have due regard to the need to eliminate discrimination, advance equality of opportunity, and foster good relations between different people when carrying out their activities. The council's Approach to Equality (“the approach”) commits the council to ensuring that equality is an integral part of our day to day business.
40. As most of the residents have chosen to move, the main equalities issue centres on their rehousing opportunities. The council’s allocations scheme was approved following detailed consideration of its impact on equalities, and all residents moving permanently will be rehoused through this scheme. However, some residents could be disadvantaged through a lack of access to IT, a lack of understanding of English or illiterate. The Marie Curie team has an understanding of each resident’s needs and are supporting those residents who could be disadvantaged because of these circumstances. Rehousing of residents should not have any negative impacts in relation to any of the protected characteristics under the Equality Act.

Health impact statement

41. The proposed works at Marie Curie are to address the health and safety issues identified by the fire risk assessment.
42. The opportunity to be rehoused on a permanent basis that the vast majority of Marie Curie residents have chosen, will enable those residents with health issues and those who are overcrowded to be rehoused in much more suitable homes. This will have a positive health impact on all these households.
43. For those residents who have opted to move on a temporary basis and return to a refurbished Marie Curie, they will benefit from homes with improved insulation, which will have a positive impact on health.

Climate change implications

44. On 18 June 2019, the council’s cabinet agreed the resolution passed by the council assembly on 27 March 2019 to “declare a Climate Emergency and do all it can to make the borough carbon neutral by 2030.” The Cabinet noted “that there are considerable financial savings to be made by ‘going green’, whether it be more energy efficient lighting, smart meters at council properties, or piloting energy generation schemes such as

installing solar panels on council properties”.

45. The government estimates that residential buildings account for 27% of Southwark’s carbon emissions. The council’s direct emissions account for 12% of the borough’s emissions and council housing is the second largest contributor to carbon emissions at 14%. The council therefore plans to take targeted actions across energy supply and usage and to retrofit council buildings including council homes to make them greener.
46. In line with the council’s climate emergency declaration and its climate action plan, the works to Marie Curie will include improved insulation to the existing homes (green retrofitting) and the removal of gas from the block (targeted action on energy supply), which will make the homes significantly more energy efficient and reduce carbon emissions.

Resource implications

47. Two temporary Resident Services Officer posts are being created for 6 months to provide the necessary intensive resident engagement and support. £45k has been budgeted for this.
48. There were 85 tenants to be rehoused. At an average of £10k per tenant which includes: the lump sum payment of £6,500; the cost of the removal company; reasonable costs related to soft furnishings such as curtains and carpets; the disconnection and connection of services such as phones, TV; and the redirection of post.
49. Estimated value of leasehold properties is in the region of £290k with total costs including fees, disturbance payments and standard stamp duty/land tax estimated as £311,900. At this point it is not possible to give precise details of the differentials in values between the leasehold properties in Marie Curie and comparable properties in other buildings in the same area.
50. The cost of works at feasibility stage were estimated to be in the region of £12.2m excluding fees and other associated costs. The next cost review is scheduled at the end of August 2021 and any significant changes will be reported thereafter. Final work costs are due to be agreed in October 2021.

Legal implications

51. The legal implications of the rehousing of secure tenants and the acquisition of leasehold interests as proposed in this report are set out in the concurrent report of the director of law and governance.

Financial implications

52. The works necessary for Marie Curie have both revenue and capital implications. The revenue implications are estimated as follows:

Activity	Estimated cost
Waking watch service from November 2020 to June 2022	£593,000
Appointment of two temporary resident services officers for six months to provide the necessary intensive resident engagement and support.	£45,000
Lump sum and inconvenience payment and associated payments to 85 tenants requiring rehousing	£840,000
Total estimated cost	£1,478,000

53. As the dwellings will need to be empty during the works, there will be a loss of rent and services charges for the HRA. The amount lost will depend on the duration of the works, and as this is not yet fully determined, it is not possible to provide a definitive estimate at this stage. However, the annual loss in rent and service charges based on 2021-22 rent levels and service charge rates for Marie Curie is £489,238.
54. Capital costs will be associated mainly with the cost of the works required and the cost of purchasing homes from leaseholders to facilitate those works.
55. The project is at feasibility stage and the cost of works is estimated to be in the region of £12.2m excluding fees and other associated costs. The next cost review is scheduled at the end of August 2021 and any significant changes will be reported thereafter. Final work costs are due to be agreed in October 2021.
56. Marie Curie has 11 dwellings currently owned by leaseholders that the council will need to purchase. At this point it is not possible to give precise details of the differentials in values between the leasehold properties in Marie Curie and comparable properties in other buildings in the same area. However, the estimated value of the leasehold properties is in the region of £290k each with total costs including fees, disturbance payments and standard stamp duty/land tax estimated as £312k. The cost of acquiring all leasehold properties is estimated to be in the region of £3.4m.

Consultation

57. A Resident Project Group has been established for Marie Curie, separate from that of Sceaux Gardens, to ensure the Marie Curie issues are dealt with directly with Marie Curie residents. The Resident Project Group meets on a monthly basis.
58. All residents have had a one to one with a Resident Services Officer to discuss their particular needs, and to help decide whether they want to move on a permanent or temporary basis. The one to one conversations will continue with residents until the internal works commence.

59. A weekly newsletter is distributed to the remaining residents of Marie Curie to keep residents up to date on the works programme and to address issues of concern raised by the Resident Project Group that can be shared with all residents.
60. Once a month, an estate wide newsletter is produced so that all the Sceaux Gardens residents are aware of what is happening at Marie Curie, update them on the QHIP works on the Estate and update them on fire safety issues on the blocks across the estate.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Governance

61. Under s.105 Housing Act 1985 the council is obliged to maintain arrangements to enable those of its Secure tenants who are likely to be substantially affected by the proposed programme of maintenance and improvement to be informed of the proposals, to make their views known; and to have their representations into account when decisions on the matter are made.
62. Members should have regard to the outcome of consultation when considering the recommendations in this report.
63. The report asks cabinet members to note the engagement with residents of Marie Curie to date. The report explains the resident engagement process and the rehousing options being made available when residents are required to vacate their homes to enable the delivery of works to the block by the council.
64. The report also notes that there will be continuing engagement with residents.
65. The report recommends the acquisition of leasehold interests for those leaseholders who have opted to move permanently from Marie Curie via negotiation. The Council has powers under s120(1) of the Local Government Act 1972 to acquire any land by agreement for the purposes of a) any of its statutory functions or b) for the benefit, improvement or development of its area. By virtue of section 120(2) of the 1972 Act the Council may acquire by agreement any land for any purpose for which they are authorised by the 1972 Act or any other Act to acquire land, notwithstanding that the land is not immediately required for the purpose; and, until it is required for that purpose, it may be used for any of the Council's functions.
66. Section 227 of the Town and Country Planning Act 1990 also empowers the Council to acquire land by agreement if it will facilitate the carrying out of development, redevelopment or improvement on or in relation to the land if this is likely to contribute to the achievement of the promotion or

improvement of the economic, social or environmental well-being of their area, or if it is required for a purpose which it is necessary to achieve in the interests of the proper planning of an area in which the land is situated.

67. Taken together, and given that the reason for the acquisitions is to enable the council to carry out works to improve the building in which the dwellings are situated, the council has adequate legal powers to commence negotiations to acquire leasehold properties by agreement.
68. Section 149 of the Equality Act 2010 (the public sector equality duty) requires the council, when taking decisions, to have due regard to the need to:
 - a) Eliminate discrimination, harassment, victimisation or other prohibited conduct
 - b) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it
 - c) Foster good relations between those who share a relevant characteristic and those that do not share it.
69. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. The duty also applies to marriage and civil partnership, but only in relation to (a) above.
70. The public sector equality duty requires active consideration of the impact of the proposed works on residents and where any disproportionate effects on groups sharing protected characteristics are identified, to mitigate, if possible, those disproportionate effects. The duty is a continuing one and due regard must be given to it throughout the programme.
71. Members must give due regard to the PSED when considering the recommendations in this report.

Strategic Director of Finance and Governance

72. The strategic director of finance and governance notes contents of the report and the costs arising as outlined in the financial implications section above. The additional revenue cost and rental loss will be met from underspends elsewhere within the HRA and/or reserves as required. Capital costs arising will be met from a combination of existing QHIP and fire safety budgets and once we have further clarity around the total costs involved, the capital programme will be reviewed as necessary to accommodate these works. Given the scale of the resources needed, this may impact on the priority and delivery of projects within the existing programme.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

APPENDICES

No	Title
Appendix 1	Fire Compartmentation Voids Survey
Appendix 2	Engie Feasibility
Appendix 3	Information for Tenants
Appendix 4	Information for Leaseholders
Appendix 5	Marie Curie Newsletter

AUDIT TRAIL

Cabinet Member	Councillor Stephanie Cryan, Council Homes & Homelessness		
Lead Officer	Michael Scorer, Strategic Director of Housing and Modernisation		
Report Author	Mike Tyrrell, Director of Ledbury		
Version	Final		
Dated	2 September 2021		
Key Decision?	No		
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER			
Officer Title	Comments Sought	Comments Included	
Director of Law and Democracy	Yes	Yes	
Strategic Director of Finance and Governance	Yes	Yes	
Cabinet Member	Yes	Yes	
Date final report sent to Constitutional Team		2 September 2021	

Item No. 11.	Classification: Open	Date: 14 September 2021	Meeting Name: Cabinet
Report title:		Putting Residents First Standards Review	
Ward(s) or groups affected:		All wards	
Cabinet Member:		Councillor Stephanie Cryan, Council Homes and Homelessness	

FOREWORD - COUNCILLOR STEPHANIE CRYAN, CABINET MEMBER FOR COUNCIL HOMES AND HOMELESSNESS

This report sets out our commitment to work with our tenants and residents to get major works to their homes right and details the standards residents should expect from the Council for all of our major works projects. It details the approach we will take, including asking residents their view on what work is needed before we develop a specification, setting up a Resident Project Team so we can work closely with people from each estate, consulting all tenants and homeowners on the full scope of work to their homes, and involving residents throughout the works to make sure they are done to a high standard.

The new Putting Residents First principles will include a refresh and update on the standards that underpin resident engagement and involvement on major works projects, enhanced Standards developed with a dedicated resident volunteer group and a commitment to providing more avenues for resident engagement to capture key local knowledge in decision making about the design and delivery of major works.

Alongside more traditional forms of consultation, residents will be able to access online meetings and improved information and updates about their major works scheme in different ways. I believe that enhanced resident involvement will ensure that the right scope of works is designed, delivered and communicated to the highest standards, ensuring that we will always put our residents first.

RECOMMENDATIONS

Recommendation for the Cabinet

That Cabinet approves:

1. The reviewed operational process: *Putting Residents First Standards* as set out in Appendix 1.

Recommendation for the Leader of the Council

2. That the Leader of the Council delegates authority to the cabinet member for council homes and homelessness to approve the reviewed operational process, Putting Residents First Standards as set out in Appendix 1.

BACKGROUND INFORMATION

3. The Putting Residents First (PRF) standards were introduced in 2012 as part of the Council Local Offers and approved by the Tenant Council and Homeowners Council. Prior to this date, the Council did not have any formal criteria for consulting residents during major works.
4. The standards were developed by a working party chaired by Councillor Ian Wingfield, Deputy Leader of the Council and Cabinet Member for Communities. Residents were consulted during the development of the standards.
5. The PRF standards were last reviewed in 2015. The standards were presented to Cllr Richard Livingstone, Cabinet Member for Housing at the time, in March 2015.
6. The Strategic Director of Housing and Modernisation, Michael Scorer, recommended the creation of a Homeowners task and finish group which was set up at the beginning of 2019 to examine a number of major works-related communication and consultation issues, following a number concerns raised by residents during the London Borough of Southwark's Homeowner Council autumn conference in 2018.
7. The Homeowners task and finish group met three times between June 2019 and January 2020. The findings and conclusions of the task and finish group are included in Appendix #2.
8. A report went to Cabinet on 7 April 2020, confirming that the review of the PRF standards would take place and Cabinet agreed to delegate the timing of this review to the lead Cabinet Member for Housing Management and Modernisation.
9. The original report was scheduled to go back to Cabinet in October 2020 but due to the delays in the setting up the Local Housing Forums, it was agreed that the final report would be delayed to 2021 and approval delegated to the lead Cabinet Member for Housing Management and Modernisation, Cllr Pollak.
10. Following this report a full review of the PRF standards including both tenants and homeowners was undertaken.

KEY ISSUES FOR CONSIDERATION

The Review Process - Why it was decided to review the current standards

11. It was decided that it was an appropriate time to review the current standards, for a number of reasons:
 - a) The standards had not been reviewed since 2015
 - b) To ensure the standards are robust to support the Great Estates Council plan
 - c) To address the findings of the Homeowners task and finish group.

The process

12. In March 2020 an Officer Team was set up between the Investment Delivery team and the Programme Team. The Tenant and Homeowner Involvement team, Service Charge Construction team and MySouthwark Homeowners Service supported the review.
13. During the first 5 Local Housing Forums in July 2020, the team asked for volunteers from each housing area to become part of a review group to help with the review and improvement of the current PRF standards.
14. In total, 14 residents volunteered from the Housing Forums, 7 of whom were tenants and 7 were homeowners.
15. The review group met during 3 evening meetings that were organised at dates and times convenient for the volunteers, between October 2020 and January 2021.
16. During the meetings it was endeavoured to have a balance with residents between an adequate amount of time to discuss the issues, while still ensuring the review process was efficient and progressed without unnecessary delay.
17. These discussions produced a number of recommendations which were logged in an action log to help implementation.
18. At the first meeting the reasons why the standards were being reviewed were explained to the residents in the review group and a timetable was agreed with the group as to when the new standards would be prepared.

How were the findings and conclusions of the Homeowners task and finish group embedded within the review

19. The findings and conclusions of the Homeowners task and finish group were presented to the review group at the first meeting and a number of ideas which could aid and resolve the concerns raised by the task and finish group, as well as improving the communication and consultation tools used during major works, were discussed.

Interests

20. A document was presented to the group members in order to help them have a better understanding of the current standards and who is involved at each stage, with the view to introduce such a document as an appendix to the new standards.
21. The idea behind this document is to enable all residents to have a clearer and better understanding of who is involved at each stage of the standards and create more transparency between the Council and Southwark's residents during major works projects.
22. The document was received positively and members of the review group recommended that an organisation chart and complaint procedures with clear timeframes should be included within the document.
23. Both recommendations were considered by the project team and included in the new draft of the standards which was presented to the review group during the second and third meetings. This can be found within Appendix 3 & 4 of the proposed new standards.

Confidence

24. Another concept which was presented during the meetings was to introduce a Commonplace information and consultation online platform for major works projects where residents could find important information about individual projects, such as event times and dates, feasibility reports, surveys and contact details of the Officers responsible for the project.
25. Members of the review group endorsed the benefits of using the Commonplace platform and there is currently a pilot underway to test the effectiveness of this tool with an ongoing major works project.
26. It should be noted that use of digital tools such as Commonplace would be an enhancement to consultation with residents around major works schemes but that more traditional forms of consultation, including face to face and telephone conversations as well as letters, booklets and leaflets will also be used to ensure that all residents, including those without access

to digital platforms, are able to receive information and have their views heard throughout every project.

27. It was also suggested to the review group to create an appendix within the new standards to clearly show the allocation of responsibilities of each individual involved in a major works project. This appendix clearly explains the level of authority each individual has and their responsibilities.
28. This idea was accepted by the review group and can be found in appendix 2 of the proposed new standards.

Knowledge

29. One of the concepts presented to the review group was the introduction of a pre-scheme survey, which could help the investment delivery team better engage with residents at an early stage and will also help them gain a better understanding of the condition of residents' homes before the design stages of any project.
30. The pre-scheme survey was agreed by the review group and a draft of the questions to be included in the survey was sent to the review group to examine and provide feedback. No major changes were made to the survey and it was agreed that the proposed survey would be sufficient..
31. Additionally it has been suggested within the proposed new standards that all face to face meetings are also offered virtually using tools such as Zoom and Microsoft Teams, to increase the number of residents that can attend these events from the comfort of their own homes.

Reasoning

32. The proposed new standards have clear stages to show residents the evidence that lies behind the basis for making decisions.
33. At the first two meetings a dedicated item on the agenda was included in order to have open and honest discussions with residents about the introduction of an independent surveyor, should residents have technical reasons to disagree with the original recommendations. This discussion was led by residents and at the first meeting it was also agreed that the residents in the review group would bring ideas and recommendations to the second meeting on how this could be introduced.
34. At the second meeting it was suggested to the review group that within the proposed new standards, the investment delivery team will appoint an independent surveyor to review the proposed works, if at least 20% of residents within a project had technical reasons to disagree with the original recommendations.

35. The review group was also advised that the cost of an independent surveyor would be included as part of the total project cost and therefore rechargeable to homeowners.
36. The idea was accepted by the review group and can now be found within point 13 of the proposed new standards.

Power

37. It is now clear within the new proposed standards who is involved at all stages of any project and when key decisions are made.
38. One of the suggestions received from the MySouthwark Homeowners Service was to include an option for residents to review the delivery routes proposed by the investment delivery team when selecting a contractor for a major works project.
39. The idea was presented to the review group in order to include an specific point in the proposed new standards.
40. Within the revised standards residents now have the opportunity to discuss and review both the works and the delivery route. This will also help the Council improve its consultation with residents to ensure it helps towards meeting the Great Estates policy and its guarantee.

Impact

41. The new proposed standards will ensure that residents and officers discuss any potential disruptions and inconvenience during the works.
42. In order to increase the effectiveness of our communications it was proposed to the review group that a text messaging tool could be introduced to help the investment delivery team send notifications to residents during a project.
43. The review group raised concerns about the use of such tools and recommended that if this tool was to be used, special care should be taken to limit the automation of the text messages being sent.
44. There is currently an ongoing pilot to review the effectiveness of using text messaging and to establish how non-automated text messages might be used whilst at the same time being cost and time effective for the Council.

The affective

45. The process has resident involvement at its heart at all stages from start to finish. This will help ensure that residents feel respected and valued both as individuals and as a group.

Feedback from residents in the review group

46. The discussions held during the first and second meeting produced a number of recommendations which were all logged and taken into account and included within the new proposed standards. The below is a complete list of key feedback received during the first two meetings:
- a) The review group provided feedback on current major works communication methods including S20 notices, letters (wording, structure etc.), pre-scheme and resident satisfaction surveys.
 - b) New PRF standards document to include section that shows who is involved, who they are and what they are there to do.
 - c) New PRF standards document to include a note to show how to progress complaints for staff and contractors - clearly showing the structure so residents know who to escalate to.
 - d) New PRF standards document to include mention of using posters to advertise meetings and drop-ins.
 - e) New PRF standards document to include note that resident project team meeting times to be agreed with residents.
 - f) New PRF standards document to include section on how major works take into account residents that have special requirements.
 - g) New PRF standards document and all other major works content sent to residents to be written in Plain English.
47. After reviewing all the feedback received during the meetings the new PRF standards have increased from 25 to 33.

Policy implications

48. The proposed new standards will replace the current PRF Standards.
49. The proposed new standards are expected to increase resident involvement and engagement during major works projects.
50. By increasing resident involvement and engagement during major works it is also expected that the overall resident satisfaction with the works and materials used during any major works projects are also improved.

Community impact/equalities statement

51. The aim of this review is to enable the council to carry out more effective resident engagement and consultation. It is intended that this will lead to improved engagement and consultation with individuals affected by major works.
52. The approach proposed in this report recognises the diversity of our communities, and the need to provide better and wider opportunities for individuals to participate and to influence major works projects.
53. An equalities analysis has been completed addressing the proposals outlined in this paper which also comply with the Public Sector Equality Duty.
54. Potential issues which arose out of the equalities impact analysis are all covered within the procedure, including the appropriate mitigations.
55. The new proposed standards contain the use of online meetings, complementary to meeting in person, which will benefit and mitigate the impacts to those residents who are unable to attend physical meetings. They also take into account the flexibility needed to hold meetings during day and evening time to take into account religious celebrations and residents with different working patterns.
56. The new proposed standards include the use of the Commonplace website for major work projects, complementary to more traditional physical forms of information distribution, which will benefit residents in finding information and documents relating to their property in one place.
57. The new proposed standards include information and details on how to access translation services by those residents whose first language is not English.
58. When the Officer team in charge of the review asked for volunteers during the first 5 Local Housing Forums in July 2020 to become part of a review group, it was requested that those interested in volunteering complete a details form. This form included questions on residential status and ethnic background which enabled the Officer team to ensure the review group was formed from a diverse group of residents including both tenants and homeowners.
59. In total 14 residents volunteered from the Housing Forums, 7 of whom were tenants and the other 7 were leaseholders.

60. The table below shows the background information collected from the details form:

Other White	1
White British	1
Other Black	3
Black British	4
Prefer not to say	2
Not returned	3

Climate change implications

61. As this is an operational process setting out the practical steps that will underpin resident engagement and involvement with major works schemes there are no climate change implications per se. However, the potential introduction of measures and works to reduce carbon emissions will form part of every major works scheme design process and these measures will be fully discussed with residents on a scheme-by-scheme basis.

Resource implications

62. The new proposed standards will be managed within existing resources.

Legal implications

63. The legal implications and other comments from the Director of Law and Governance are set out below.

Financial implications

64. There are no financial implications. The new proposed standards will be managed within existing resources.

Consultation

65. Information and details about the consultation carried out as part of the review and proposed new standards are detailed throughout the report and in Appendix 2.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Governance

66. The report recommends that the cabinet member for housing approve the reviewed Putting Residents First Standards, in Appendix 1. The standards set out how the council will consult and involve council tenants and homeowners on major works projects affecting their homes.
67. A local housing authority has a statutory duty to consult with its secure tenants under section 105 of the Housing Act 1985 (HA 1985) on matters of housing management. There are similar obligations under Section 137 of the Housing Act 1996 for consulting with Introductory Tenants. The obligation applies where any of the council's secure or introductory tenants are likely to be substantially affected by a matter of housing management, including any changes to the management, maintenance, improvement or demolition of properties let by the Council or the provision of services in connection with those properties. This obligation applies where in the opinion of the council it represents a new programme of maintenance, improvement or demolition, or there is a change in the practice or policy of the authority and the secure or introductory tenants are likely to be substantially affected as a whole or a group of them. The arrangements set out in the standards document will assist the council in compliance with this statutory consultation duty in respect of major works.
68. As to council long leaseholders (homeowners), under section 20 of the Landlord and Tenant Act 1985 (as amended) there are specific consultation requirements in relation to any services or work to the buildings or estate where their home is located and for which the leaseholder is required to pay towards the cost under the terms of their lease. The standards document references the section 20 process to be carried out in parallel with the arrangements set out in the standards document.
69. The report sets out the consultation that has been carried out on the reviewed standards. The cabinet member should take into account the outcome of consultation when taking a decision on the recommendation.
70. Due regard must also be had to the public sector equality duty (PSED) in section 149 of the Equality Act 2010. This duty requires the council to consider all individuals when carrying out its functions. Specifically, to have due regard to the need to eliminate discrimination, harassment, victimisation or other prohibited conduct; advance equality of opportunity and foster good relations between people with protected characteristics and those who do not. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. The cabinet member is referred to the Community Impact Statement in the report which sets out the consideration given to the PSED.

71. Any resident consultation and involvement must comply with the council's contract standing orders and terms of existing and future contracts with external suppliers.

Strategic Director of Finance and Governance (H&M 21/018)

72. This report seeks approval from the cabinet member for housing for the Putting Residents First Standards contained in Appendix 1, which set out the standards to be followed and the minimum level of service residents can expect when the council consults on planned major works. As outlined in the report, the standards are procedural in nature and there are no financial implications arising directly from their implementation, and will be managed and operated within existing budgets.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Final Report- PRF 2015	Investment Delivery 160 Tooley Street, London, SE1 2QH	Sebastian Rios 0207 525 3370
Link (copy and paste link into browser): https://moderngov.southwark.gov.uk/documents/s88294/Appendix%20%20-%20Putting%20Residents%20First%20Standards%20CURRENT.pdf		
Putting Residents First Review- Update	Investment Delivery 160 Tooley Street, London, SE1 2QH	Name: Sebastian Rios 0207 525 3370
Link: https://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?id=7055		

APPENDICES

No.	Title
Appendix 1	Draft Putting Residents First Standards
Appendix 2	Findings and Conclusions of Task & Finish group report
Appendix 3	Major Works Offer v2 Revised
Appendix 4	Equalities/Health Analysis

AUDIT TRAIL

Cabinet Member	Councillor Stephanie Cryan, Council Homes and Homelessness	
Lead Officer	David Hodgson, Director of Asset Management	
Report Author	Sebastian Rios, Service Development Officer	
Version	Final	
Dated	2 September 2021	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Director of Law and Governance	Yes	Yes
Strategic Director of Finance and Governance	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team		2 September 2021

Item No. 12.	Classification: Open	Date: 14 September 2021	Meeting Name: Cabinet
Report title:		A Home to be Proud of: the council's approach to ensuring residents are safe, secure and comfortable in their council home	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Stephanie Cryan, Council Homes and Homelessness	

FOREWORD - COUNCILLOR STEPHANIE CRYAN, CABINET MEMBER FOR COUNCIL HOMES AND HOMELESSNESS

Southwark Council is London's largest social landlord and manages 55,000 homes. Maintaining our homes to a decent standard and keeping them warm, dry and safe for our residents has always been the starting point for any major works that are undertaken to our homes. However, it is important that we listen to our residents and adapt and change our approach to ensure that we are meeting the Council's commitments to tackling inequality and to taking positive action to tackle the climate emergency.

This report sets out the framework for a comprehensive revision of the Asset Management Strategy to take account of the challenges of building safety legislation, the climate emergency and the creation of a fairer society. It sets out our commitment to exploring public health outcomes linked to housing, with a particular focus on damp and mould.

Resident and community involvement will be at the heart of the development of the strategy. We want to make sure that everyone has the opportunity to feed into the consultation and to help shape what a Southwark home looks like in the 2020s and beyond with the development of a Southwark Standard.

We also need to take practical steps to reduce carbon emissions, linking in with main Climate Change and Great Estates strategies. Ensuring that we contribute the Council's commitment to be net carbon neutral by 2030.

The emerging strategy will commit to keeping people safe and ensuring everyone lives in a home they can be proud of.

RECOMMENDATIONS

That Cabinet

1. Agrees the broad framework for a future asset management strategy ('The Plan') that is driven by the council's commitment to tackling inequality and to keeping people safe in homes that are well maintained and cared for.

2. Requires a full strategy to be developed adhering to the principles and priorities set out in this report to be presented to the council's cabinet in summer 2022.
3. Approves the proposal and approach set out below to undertake further work to achieve a balanced approach to Climate Emergency commitments.
4. Requires a more detailed analysis of inequality in Southwark to be undertaken in relation to investment and asset management of our homes.
5. Notes the commitment in this report to deliver services that provide safer and secure homes following the legislative changes introduced and upcoming since the last Asset Management Strategy in 2016.

BACKGROUND INFORMATION

What is an asset management strategy

6. This is the council's plan to look after its homes; balancing the needs of residents, the importance of safety, security, comfort, climate change and finance. Taking into account residents priorities, stock condition, legislation and policy, and available resources.

Introduction – our residents

7. Southwark is the largest social landlord in London and the largest landlord of high-rise blocks in the UK. The borough is also one of the most densely populated and diverse communities in the country, with significant levels of deprivation in parts.
8. By 2026, Southwark's population is expected to grow by 20%, to around 376,000. This growth will place further pressure on all Council services and on housing provision. In Southwark, the proportion of households (39%) renting from the Council is significantly higher compared to the London average.
9. Southwark generally has a much lower age profile than the national picture but, with the exception of households in the 25-45 age group, the number of households of all ages is projected to rise, with the largest relative increase predicted for households in the 60-64 bracket.
10. It is increasingly well understood that good quality housing has a direct impact on health as it helps to prevent accidents in the home, reduces winter-related deaths and protects against poor mental health. According to the 2011 census, nearly 19,000 Southwark residents reported a long-term health problem or disability.

11. Poor health outcomes as a consequence of the CV19 pandemic have been shown to disproportionately affect Black, Asian and Minority Ethnic people, a significant number of whom live in poor housing. In Southwark, Black African, Black Caribbean and Chinese people account for more than 25% of Southwark residents. Around 52% of Black African, Black Caribbean and Black British people rent from the Council, compared to 24% of the White population.
12. According to the 2019 Indices of Deprivation study, Southwark ranked 43rd out of 137 local authorities in terms of socio-economic deprivation and almost a third of our residents live in communities ranked in the 20% most income deprived in England. This poverty is concentrated in north and central Southwark, especially in Nunhead and Livesey, but exists in the south too.

Introduction – our buildings

13. Southwark Council is landlord of around 55,000 properties, of which around 38,000 are tenanted, and over 15,000 are leasehold properties. The stock under Southwark’s control is unusually large and varied in its composition.
14. Table 1 below shows that as expected for a social landlord based in an urbanised area, the majority of this stock comprises traditional housing blocks: however, there are also a significant number of street properties and houses within Southwark’s management. In terms of its tenanted stock alone, over 6,500 dwellings are categorised as houses, street properties or conversions.

Table 1: Housing Stock by Property Type

Property Type	Percentage
FLAT TRADITIONAL BLOCK	80%
HOUSE ON ESTATE	7%
CONVERTED STREET PROPERTY	6%
STREET PROPERTY	4%
FLAT SHELTERED HOUSING	2%
FLAT INFILL BLOCK	1%

15. Within each of the above categories there is a further range of building types and constructions. Table 2 further illustrates the degree of complexity in the composition of the housing stock:

Table 2 – Housing Stock by Property Archetypes

Property Archetype	Percentage
LOW RISE FLATS POST 1945	43%
HIGH RISE FLATS (6 STORIES PLUS)	25%

Property Archetype	Percentage
LOW RISE FLATS 1920 - 1944	13%
FLATS PRE 1920	8%
HOUSES POST 1945	7%
HOUSES PRE 1945	4%

16. Post-war residential blocks account for the majority of Southwark's stock. There are, however, still an unusually large proportion of properties that do not fall within this category, including a relatively high number of pre-war blocks and houses, and properties dating from the turn of the previous century.
17. The council owns 170 buildings which are 18 metres/7 storeys and above. This is a significantly larger number of high-rise buildings than many other landlords, and the highest number of any social landlord across the United Kingdom.
18. In addition, there are 186 buildings that are six storeys in height and dozens of other buildings which the Council has categorised as high-risk from a building safety perspective, due to the nature of their construction, which may need urgent investment to meet the obligations of new legislation due to become law later in 2021.
19. The quality and condition of Southwark's housing stock reflects its varied profile, and different maintenance issues arise from different building types and construction epochs, legacies of which have major implications for the council's investment decisions. For example, it is often difficult to meet modern standards for kitchens and bathrooms in the confined spaces of interwar stock. Similarly, the prominent post-war, system-built housing has left a legacy of maintenance problems attributable to poor design, including a variety of structural issues, water penetration, flat-roof failure, asbestos, and poor thermal and noise insulation. These issues have been further compounded by historical under-investment, and made modernising these properties prohibitively expensive.
20. The nature of the council's housing stock means there are not readily available, cheap and straightforward solutions or modern measures to reduce carbon emissions while ensuring Southwark's homes are economical to run for residents and to maintain for the Council.
21. The above data serves to highlight the significant challenges that the council faces to look after its residents and to provide housing that both protects people and enhances their wellbeing. This proposal commits to exploring traditional and innovative methods to deliver high quality council housing now and into the future.

KEY ISSUES FOR CONSIDERATION

Proposal

22. The development of a new asset management strategy, for presentation to Cabinet in June 2022, which sets out Southwark's housing investment strategy for safer, secure and greener homes and communities.

The 2016 Strategy

23. The 2016 Asset Management Strategy aimed to ensure that every council tenant has a quality kitchen and bathroom. The introduction of programmes for cyclical external decorations, improving lifts and other mechanical and electrical systems, and reducing fire risks was agreed.
24. Since 2016, the Quality Homes Investment Programme (QHIP) has seen investment of circa. £190m in the Council's housing stock. This has included the installation of new kitchens and bathrooms in more than 5,000 homes, the replacement of thousands of boilers and repair works, including repairs to roofs, windows, electrics and communal decorations, to numerous estates.
25. As at March 2021, 99% of properties had received their due gas compliance check and 99% of due asbestos inspections had been carried out. Availability of heating and hot water was at 99% and lift availability at over 95%.
26. Specialist teams covering leaks from above, aids and adaptations, handypersons and disrepair have all been embedded within the Division and a three-year Repairs Improvement Plan is in progress to deliver a high quality, customer-focused repairs service across the borough.

A new Plan

27. Since the 2016 Strategy, significant challenges have emerged for the council regarding the management and development of its housing stock. These factors mean a fresh look as to what proactive asset management looks like in 2021 and into the future and how we decide when and how to invest in our stock is required.
28. The tragedy at Grenfell and consequent legislation, the climate emergency, financial constraints and the focus on public health brought about by the coronavirus pandemic, investment in the council's district heating network and commitments to building new council homes create a challenging and complex landscape for the Asset Management Division.

Approach

29. The new Plan will explore the headings below. Throughout the process of the development of the Plan, the Asset Management Division will continue

to carry out all of its compliance and repairs functions and to invest in homes across the borough through the QHIP, which will be refocused around risk assessment linked to fire and building safety.

30. To enhance current processes around resident engagement and project design, an Equalities Impact Assessment (EIA) will be carried out for each QHIP scheme, to ensure positive and negative impacts on residents are fully accounted for and understood.
31. Survey and inspection work will be ramped up to secure an even more detailed picture of the current condition of Southwark's housing stock and to close any knowledge gaps.

Scope

32. The Plan will be developed over the coming months to set out the right investment choices to ensure that Southwark's tenants and homeowners continue to live in homes that they can be proud of and that are fit for the future.
33. The Plan will be rooted in a robust overarching EIA (Appendix 1) that aligns investment decisions with the needs and characteristics of the people who live in our diverse borough. The current EIA will be updated as the Plan is further developed.
34. The EIA, which includes consideration of all protected characteristics, will have a particular focus on the impact of the Plan in relation to residents' socio-economic background and race – two characteristics that have played an extremely significant role in public health outcomes associated with the CV19 pandemic.
35. Comprehensive resident engagement will be carried out to ensure residents' priorities continue to be embedded in any future programmes of work. This engagement will include presentations to and discussions with the Local Housing Forums and the Tenants and Homeowners Forums. Consideration will also be given to consultation with the Online Panel and the potential for the establishment of a residents' Project Team to consider specific aspects of the Plan. Residents of different ages, ethnic backgrounds and socio-economic circumstances will be asked to contribute and tell of their experiences of living in Southwark's homes. Tenants and homeowners living in different types of properties across the borough will help shape the strategy.
36. Presentation of the paper in June 2022 will allow the full implications of the new legislation regarding fire safety and building safety to become known and for the Asset Management Division to prepare its procurement and recruitment plans to meet these new responsibilities, alongside the delivery of its range of statutory compliance functions. It will also allow time for a deeper analysis of the key issues affecting Southwark's residents and the development of the right solutions.

37. The Plan will build on carbon reduction measures already in place and align with the Council's Climate Change Strategy to explore further practical steps to contribute to local, national and international climate change goals. (Appendix 2).
38. The Plan will be clear about the funding required, where it might come from and where any funding strategy fits within the wider financial requirements of the Housing department.

Safe and secure

39. The new Plan will refocus the QHIP around a risk-based approach, driven by the new fire safety and building safety legislation but also taking into account Council commitments to reduce carbon emissions and seeking to ensure Southwark's residents live in high quality modern accommodation that they are proud to call home as well as being safe and secure.
40. The Asset Management Division will engage in a large scale procurement and recruitment drive to ensure the Council has access to the right frameworks to deliver high quality work at the right price; as well as talented and well-qualified staff to meet the demands of the Building Safety Act. Procurement will embed Fairer Future Procurement Framework principles and Southwark Stands Together policies and processes.
41. A suite of measures to improve block and estate security will be detailed and work will be carried out based on resident consultation and collaborative working with Resident Services and the Anti-Social Behaviour Team.

A well maintained home

42. Irrespective of the outcome of the current government review into the Decent Homes Standard, Asset Management will take a holistic approach to the principle of providing good homes for Southwark's residents.
43. This approach will see a comprehensive scope of works designed for each block and estate, which will mean all required work is done in one go, providing certainty and clarity for both tenants and homeowners.
44. Installation of new kitchens and bathrooms will continue where possible, based on their condition and not on their age, alongside other internal works.
45. External works, such as the painting of railings and panels, to ensure communal areas are maintained at a good standard and are welcoming spaces for residents will be carried out; and funding opportunities to improve energy efficiency will be identified.

46. A 'Southwark Standard' will be developed which will set out what residents should expect regarding the quality of their home. This will include a focus on ensuring that Southwark's homes are well-ventilated, free of damp and that running costs are kept as low as possible.
47. Modernising service delivery through the increased use of digital technology, for example installing damp/humidity sensors to trigger warnings of repair requirements, will be considered.
48. Furthermore, Asset Management will work with colleagues across the Council in the development of strategies around Digital Street Furniture, in order to gather more accurate and in depth data to further inform service improvement.

Great Estates and Tackling Inequality

49. The new Plan will explore the lessons learned from the Great Estates pilots and will include plans to contribute to better waste management, community gardening, supporting more people to walk and cycle, as well as looking at ways to make blocks and estates look their best.
50. Asset Management has begun development of a specific damp and mould strategy, with a major pilot underway on the Kingswood Estate. This will be further drawn out in the June paper, within the context of consideration of issues relating to overcrowding and ways in which the Council can improve the lives of its most vulnerable residents.
51. Engagement with Black, Asian, Latin American and minority ethnic communities will form a particular focus of the Strategy to better inform investment choices linked to public health outcomes.

The climate emergency

52. The Asset Management Division is developing a comprehensive Heat Networks Strategy that will be presented to Cabinet in September 2021.
53. The Division commits to the replacement of gas and all other fossil fuel as energy source for heat networks.
54. The expansion of the South East London Combined Heat & Power (SELCHP), proposals around individual heat metering as well as securing funding sources for a range of other potential measures such as improved insulation, LED lighting and solar energy installations will be explored.
55. The Plan will commit to improving the energy efficiency of Southwark's housing stock and will set out a practical path to achieving this.

A landlord that listens

56. As above, the Plan will be based on a comprehensive programme of engagement with residents, using a range of tools in partnership with the Resident Involvement Team, and through the refreshed Putting Residents First standards.
57. The Asset Management Division understands the importance of community-led decision-making and will draw out the lessons from the work carried out at the Ledbury and Tustin Estates to ensure that the right consultation takes place at the right time to realise the best outcomes for residents.
58. The new Plan will also retain a strong focus on homeowner engagement and will align with the Homeowners Improvement Plan to identify areas of improved service delivery.

Risks and Constraints

59. The new Plan will identify key risks to delivery and consider mitigation options.
60. Access to flexible frameworks to secure contractor partnerships that can deliver the range of work detailed above, while delivering (and demonstrating) good value for money will be a major challenge. Meeting Council commitments around working with small and medium-sized enterprises and black, Asian and minority ethnic-led businesses will very much depend on being able to access the right procurement models.
61. Recruiting appropriately qualified staff to discharge the responsibilities of the new building safety legislation will require a significant review of the Council's current recruitment processes and Southwark will need to be more competitive in the market.
62. Securing internal and external funding for such a huge programme of work will be crucial to the success of the new Plan and Asset Management will work closely with colleagues in Finance to establish robust financial planning.

Conclusion

63. The Plan to be presented to cabinet in June 2022 will be a comprehensive revision of the 2016 Asset Management Strategy. It will take account of the significant challenges that the council faces regarding building safety, fire safety and the climate emergency, and how the asset management division will contribute to meeting them.
64. The Plan will be rooted in a sound understanding of our people and our housing and will have our tenants and homeowners at its heart. It will lay

out in detail a safer, greener and fairer future for everyone living in Southwark's homes.

Policy framework implications

65. The Borough Plan, refreshed for 2020-2022, reflects the significant changes that have affected the borough over recent years, in particular the CV19 pandemic, and the new and refreshed priorities the council is adopting in response.
66. The framework set out in this proposal and the full Plan to be presented to Cabinet in June 2022 supports a number of these priorities, in particular:
- *Climate emergency* – we will take a holistic approach to delivering investment in our homes and estates, ensuring quality, energy efficiency, security, consistent provision of services and carbon reduction measures are all taken into account in any scheme design
 - *Thriving neighbourhoods* – we will put the community at the heart of the decision-making process, ensuring that residents' views are heard in the development of projects to create homes and estates that people are proud to call home
 - *Homes for all* – we will employ traditional and innovative methods of consultation and communication, as well as of construction, to maintain high levels of quality in our housing stock. We will work with tenants and homeowners to truly be a landlord that listens.
67. Responding to the Climate Emergency and tackling health inequalities will run through the Plan and we will set out detailed practical steps to address these priorities in the June Cabinet paper.

Community/equalities impact statement

68. Section 149 of the Equality Act, lays out the Public Sector Equality Duty (PSED) which requires public bodies to consider all individuals when carrying out their day to day work – in shaping policy, in delivering services and in relation to their own employees. It requires public bodies to have due regard to the need to eliminate discrimination, advance equality of opportunity, and foster good relations between different people when carrying out their activities. The Council's Approach to Equality ("the approach") commits the council to ensuring that equality is an integral part of our day to day business.
69. Improving housing in Southwark is central to the council's wider plans to create a fairer future for all. Access to appropriate, good quality, genuinely affordable homes is important not just for residents but also to the wider economy and essential to shaping a borough that all residents can be proud of and which is truly sustainable into the future. A key part of this is the active management of current council housing assets that this report addresses to ensure that they play their part in continuing to make a positive impact on the community.

- 70. Residents will continue to be at the centre of and involved in works that take place. A robust and detailed assessment of the impact of these works will be carried out scheme-by-scheme.
- 71. Any works undertaken will provide a better standard of accommodation for residents and will contribute to improved general health and wellbeing. Due consideration will be given to those residents with specific needs both during works and after completion.

Environmental/Climate change impact statement

- 72. On 18 June 2019, the council's cabinet agreed the resolution passed by the Council Assembly on 27 March 2019 to "declare a Climate Emergency and do all it can to make the borough carbon neutral by 2030." The cabinet noted "that there are considerable financial savings to be made by 'going green', whether it be more energy efficient lighting, smart meters at council properties, or piloting energy generation schemes such as installing solar panels on council properties".
- 73. The government estimates that residential buildings account for 27% of Southwark's carbon emissions. The Council's direct emissions account for 12% of the borough's emissions and council housing is the second largest contributor to carbon emissions at 14%. The Council therefore plans to take targeted actions across energy supply and usage and to retrofit council buildings including council homes to make them greener.
- 74. The current proposal, put forward in August 2021 by London Councils, to develop a Retrofit London Housing Action Plan, is noted. It is well understood that real progress on this will require a partnership approach between local, regional and central government, as well as the private sector and other key stakeholders.
- 75. This proposal commits to exploring a range of measures, including the decarbonisation of heat networks, intelligent lighting systems and solar installations to be developed in practical terms for the June paper, in consultation with residents.

Consultation

- 76. Throughout the development of the Plan, the Asset Management Division will involve residents. This will include a range of methods, including consultation with the Local Housing Forums, Tenant and Homeowners Forum, the Online Panel and the potential for the setting up of a Project Group to review specific aspects of the proposals.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Governance

77. This report seeks the cabinet's agreement and the noting of certain elements in relation to the council's future asset management strategy as further detailed in paragraphs 1-5. The development of the asset management strategy is an executive function and as a strategic policy is delegated to the cabinet to consider in accordance with the council's constitution.
78. There are no significant legal implications arising from the recommendations in this report, but the director of law and governance and her staff will provide advice to officers on any legal and governance issues arising during the development of the strategy, which is to be presented to cabinet in June 2022.
79. The cabinet's attention is drawn to the Public Sector Equality duty (PSED General Duty) under the Equality Act 2010, which requires public bodies to have regard, when making decisions, to the need to eliminate discrimination, advance equality of opportunity and foster good relations between persons who share a relevant protected characteristic and those who do not share it. In addition, the council has also chosen to include socio-economic status. The cabinet is specifically referred to the community impact statement at paragraphs 68-71, and specifically the EIA at appendix 1 setting out the consideration that has been given to equalities issues which should be considered when approving the recommendations in this report. The PSED General duty is a continuing duty and as noted in paragraph 33 the current EIA will be updated as the strategy is developed. Reference is made in the report to extensive consultation that is intended to take place in developing this strategy, the outcome of which will be reported to cabinet in the later report.

Strategic Director of Finance and Governance (H&M 21/053)

80. As one of the UK's largest local authority landlords, the council undertakes significant investment in its housing stock. Decisions about investment in this valuable resource need to be considered carefully, ensuring the level of investment is sustainable and affordable for the housing revenue account. As outlined in this report, the council faces significant challenges in relation the management and development of its stock, notably new building and fire safety regulations, the need to invest in the district heat network and to respond to the climate emergency as well as the commitment to deliver new homes. This report sets out the approach that will be taken to develop a Southwark Homes and Resident Plan, which will be presented Cabinet in June next year. It is expected that the work necessary to develop the Plan will be contained within existing revenue budgets, and there are, therefore, no financial implications arising from the recommendations made in this report.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Asset Management Strategy (2016)	160 Tooley Street, London, SE1 2QH	Paul Wood 020 7525 0638
Link (please copy and paste into browser): https://moderngov.southwark.gov.uk/documents/s60405/Report Asset Management Strategy.pdf		
Climate Change Strategy (2021)	160 Tooley Street, London, SE1 2QH	Tom Taylor 020 7525 5415
Link (please copy and paste into browser): https://moderngov.southwark.gov.uk/documents/s99897/Report Climate Change Strategy.pdf		
Refresh of the Council Plan 2018-2022	160 Tooley Street, London, SE1 2QH	Joseph Brown 020 7525 1409
Link (please copy and paste into browser): https://moderngov.southwark.gov.uk/documents/s92005/Report Council Plan.pdf		
Southwark's Borough Plan 2020	160 Tooley Street, London, SE1 2QH	Joseph Brown 020 7525 1409
Link (please copy and paste into browser): https://moderngov.southwark.gov.uk/documents/s92006/Appendix A Southwarks Borough Plan 2020.pdf		
Southwark's Key Housing Stats 2020	160 Tooley Street London SE1 2QH	Paul.wood@southwark.gov.uk
Link (please copy and paste into browser): https://www.southwark.gov.uk/assets/attach/42459/southwark-key-housing-stats-2020.pdf		

APPENDICES

No	Title
Appendix 1	Equalities Impact Assessment
Appendix 2	Climate Emergency Equalities Assessment

AUDIT TRAIL

Cabinet Member	Councillor Stephanie Cryan, Council Homes and Homelessness	
Lead Officer	Michael Scorer, Strategic Director of Housing and Modernisation	
Report Author	Paul Wood, Programme Manager	
Version	Final	
Dated	1 September 2021	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Director of Law and Democracy	Yes	Yes
Strategic Director of Finance and Governance	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team	2 September 2021	

Item No. 13.	Classification: Open	Date: 14 September 2021	Meeting Name: Cabinet
Report title:		Heat Networks Strategy	
Ward(s) or groups affected:		All	
Lead Officer:		Strategic Director Housing & Modernisation	
Cabinet Member:		Councillor Stephanie Cryan, Council Homes and Homelessness	

FOREWORD – COUNCILLOR STEPHANIE CRYAN, CABINET MEMBER FOR COUNCIL HOMES AND HOMELESSNESS.

Having access to reliable heating and hot water is a basic human right and one that the council strives to achieve across all of our council homes. We have 17,000 homes that receive heating and hot water from a District Heating system with the aim of providing affordable and reliable heating and hot water. Many of our District Heating Systems are now over 40 years old and require significant financial investment to maintain. We also need to ensure that we keep heating costs as low as possible and have a duty of care towards preventing fuel poverty for some of our more vulnerable residents. We also need to ensure that as part of the Council's commitment to tackle the climate emergency and become net carbon neutral by 2030 that we start to decarbonise our District Heating Networks and look at low carbon options, we have already made some progress with this through connecting some of our systems in the North East of the borough to SELCHP and the grants we have received to install heat pumps on the Consort, Newington and Wyndham estates.

All of these priorities need to be balanced and the emerging Heat Networks Strategy outlines the journey we need to take to meet these objectives. When looking at the investment needed across the District Heating Networks we also need to be mindful of other works relating to building and fire safety and this strategy will interlink with the Asset Management Refresh which will be presented to cabinet in 2022.

The strategy has been designed with input from our residents and I want thank all of those who took part in the working group and completed the online survey.

Our biggest challenge will be the significant financial investment needed to upgrade, maintain and decarbonise our District Heating Systems. This will have to be balanced with other calls on the Housing Revenue Account such as our new council homes building commitment, major works and repairs and the day to day management of our homes. We are committed to exploring and applying for all available grant funding both now and in the future and will continue to lobby Central Government to adequately fund councils to carry out the vital works needed to help make Heat Networks greener, low cost and reliable.

RECOMMENDATIONS

That the Cabinet

1. Notes the work done in preparing a strategy for decarbonising the council's heat networks, but that challenges remain both in terms of residual carbon and financial impact (paragraphs 73-82).
2. Agrees to use appropriate opportunities to lobby government to bring forward grants for low carbon heating that will help to overcome the challenges described the Climate Change Implications section.
3. Agrees the principles and activities laid out within the Strategic Direction, Service Improvement and Investment Plan sections (paragraphs 17-38 and Appendix 3).
4. Agrees to adopt the 'District Heating Disconnection Policy for leaseholders and freeholders' included in Appendix 1 and summarised in paragraphs 43-54.
5. Notes the update provided relating to the heat metering regulations and the Council's related legal obligations and requests an update within 12 months on progress in delivery against its heat metering obligations and on any changes to the status of the upcoming heat networks market regulation.

BACKGROUND INFORMATION

6. A heat network is a series of insulated pipes, normally buried underground, used to carry heat from one place to another, usually via the medium of hot water or steam. Heat networks are useful because connected properties need not have their own boiler or other heating system. This has advantages in terms of installation cost, air quality, fuel price and ease of maintenance. The Council has over 100 heat networks on our housing estates serving 17,000 properties. Much of the infrastructure is in need of investment.
7. In July 2019, the then Cabinet Member for Housing Management and Modernisation presented a paper to Cabinet that included a number of recommendations including the development of a Heat Networks Strategy and Investment Plan, the establishment of a Heat Networks Governance Board, the establishment of a Residents Working Group, the further exploration of expanding the SELCHP heat network, the further exploration of some water source heat pumps projects and an update on the status of heat metering and heat network regulations. This paper provides an update on progress against those recommendations and forms the basis of the Heat Networks Strategy for the borough.
8. Heat Network Governance Board: As per the recommendation in July 2019, a Governance Board was set up and has met every six weeks since August 2019. Meetings have been chaired by the Cabinet Member with responsibility for housing or in their absence the Strategic Director for Housing and Modernisation, with updates and reports brought by various parties representing both the strategic and operational sides of the Council's housing heat networks. The

intention is that this group continues.

9. Heat Networks Residents Working Group: As per the recommendation in July 2019, a Residents Working Group was established with representatives from Tenants Council, Home Owners Council, Tenant Management Organisations and the Southwark Group of Tenants Organisations, as well as council officers. The group met three times between October 2019 and February 2020 and discussed a range of topics and experiences. The key discussion outputs from this group is provided in Appendix 2.
10. Full updates on the SELCHP expansion, the water source heat pumps projects, and the items on heat market and heat meter regulation are given within Appendix 5.
11. Investment in the Council's heat networks is only one part of the work covered by the Asset Management Strategy, which is currently being refreshed. It is clear that the Building Safety and Fire Safety Bills that are being presented to Parliament will place significantly greater responsibilities on local authorities to meet new fire safety and building safety standards, and these are likely to lead to significant work streams. It is vital that works across different priority areas are coordinated as much as possible in order to reduce delivery costs and disruption to residents.

KEY ISSUES FOR CONSIDERATION

Why heat networks?

12. There are a number of significant benefits to heat networks which is why local, regional and national policies all support maintaining existing heat networks and building new heat networks (see the July 2019 cabinet paper referenced in Background Documents). Such policies expound the reasons for increasing use of heat networks but briefly, these benefits include:
 - **Bulk purchase discount** on fuel used means that running costs can be lower
 - **Shared operation and maintenance** again leading to lower running costs
 - **Limited requirement to enter properties** (e.g. to undertake gas checks) because the majority of heating infrastructure and plant is in communal areas
 - **Quicker and easier to decarbonise** than individual heating, due to the ability to apply low carbon technologies at scale (such as the SELCHP and water source heat pump projects referenced in later sections)
 - **Lower air quality impact** compared to individual gas boilers due to advanced low NOx burner technology, higher flues leading to better dispersion and an increasing move away from fossil fuel
 - **Condensation and mould** - compared to individually heated properties, those connected to heat networks suffer from far lower instances of condensation and mould¹. Heat losses from distribution pipes should be minimised through efficient insulation and control, but this background heat does keep the fabric of the building warm with associated building and health benefits.

¹ Analysis undertaken by the council showed that reported instances of mould requiring repair were almost half as frequent proportionally in communally heated homes compared to individually heated homes.

Objectives

13. The Council wants all of its heat networks to be effective, reliable, affordable and low carbon. Some of the challenges of meeting these objectives are outlined in the Heat Networks Strategy Development paper (Appendix 5).
14. **Reliable:** A heating system is something that we all take for granted until it goes wrong. Not being able to heat your home or bathe your children is a major inconvenience if it carries on for any length of time. It impacts on people being able to get to work on time, or get children to school and it can impact people's physical and mental health.
15. **Affordable:** There are two primary causes of fuel poverty – higher costs of energy, and low household income. Some people are in fuel poverty, not because their heating costs are unreasonably high but because their income levels are too low. As a heat supplier we must ensure that we maintain affordability so that we are not part of the problem, but part of the solution. In practice, this means not making investment decisions that leave residents paying unreasonably high heating charges.
16. **Low carbon:** Decarbonising new and existing heat networks is an important strand of achieving the Council's overall objective of being net zero carbon by 2030. The majority of carbon emissions from the Council's existing heat networks come from the combustion of natural gas, and to a much lesser extent the use of electricity for pumping. The major challenge for our heat networks in terms of achieving our climate objectives is, therefore, to switch away from gas boilers to low or zero carbon heating technology.

Service improvement

17. **Operation and maintenance** - A number of measures have been and are being taken to improve service resilience:
 - Upgrades to some networks that have been most prone to air locks, isolating individual blocks to protect them from air locks when maintenance or leaks happen in other parts of the network
 - Upgrades to controls on many networks so they will send automatic alarms to the maintenance contractors so they can attend as soon as problems occur
 - The council's repairs service, SBS, is now using freezing techniques that substantially reduce the amount of heating and hot water shutdowns needed for their plumbing works
 - The Council's main heating repairs and maintenance contractors (OCO and Smith & Byford) have taken on extra staff so they can respond faster when there is a high demand
 - A third maintenance contractor has been appointed to provide extra capacity during the busiest periods
 - Increased stock of parts ready and waiting should they be needed
 - A new supplier of temporary boilers has been set up so these can be provided on site quickly should they ever be needed

18. **Communication during outages** – There are a number of ways that residents can report outages including via the call centre, via email or via their MySouthwark account. And there are three ways in which residents can keep up to date with outages affecting their estate – text messages, the communal repairs webpage (updated every two hours) and the recorded message played when phoning the call centre (also updated every two hours). In addition to this, letters are normally sent when outages become prolonged, and we aim to make outbound calls to all vulnerable residents affected.
- At present residents can only sign up for the text message service by phoning the call centre. The Council will look at ways that residents could sign up online to save time.
 - Following this, and in alignment with the HSC recommendation, we intend to carry out a dedicated campaign to increase the uptake of the text message service.
 - Development of online / social media communication tools – some sources have suggested this as a means of communicating heating updates to residents. This needs further consideration before moving forward as there is a risk of enhancing the digital divide.
19. **Analysing and reporting outages with greater granularity** – The Council's maintenance contractors provide monthly outage reports. These record all communal outages affecting whole blocks and are currently analysed to calculate the availability levels achieved across the borough and what levels of compensation might be due to residents. At present availability statistics are calculated on the basis of all outages but propose the following be added:
- The proportion of outages that were unplanned only. Not only are these more disruptive to residents, but they also more accurately reflect unknown problems within systems. Planned outages are unfortunately necessary to carry out maintenance or capital replacements and these activities should actually improve system performance. Increasing investment could, in the short term at least, lead to worsening availability statistics under the current reporting model, which would not be a fair reflection of performance.
 - The proportion of outages that go on for more than 24 hours. These are also most disruptive to residents so it would be helpful to disaggregate these. 24 hours is the reference point for compensation and, with the advent of a heat market framework, it is possible that reporting in this way may become mandatory.
 - Site by site availability statistics are helpful for highlighting where significant problems have occurred and where planned investment needs to be targeted.
20. At present, providing this additional granularity in reporting is manual and time-consuming and we are looking at what steps would be necessary to make the process more automated.
21. **Options appraisal process** – As described in paragraph 29, where significant investment is required, a detailed options appraisal should be carried out to look at a range of investment options from a capital, operational and lifecycle cost, as well as from a carbon perspective. The options appraisal process is designed to

ensure a full range of impacts are considered including capital costs, operational costs, resident bills, carbon emissions and maintenance complexity. Capturing residents' site-specific experiences and views will form part of the options appraisal process.

22. **Filing and enforcing warranties** – One of the messages that emerged from the recent Home Owner Improvement work stream was that the Council could do more to tie down and enforce warranties on its investment projects. This is often harder than it seems at first sight. For example a boiler or heat exchanger warranty may become void if good water quality is not maintained within the system. This in turn requires good technical record keeping, which as noted in paragraph 26 will be facilitated in some cases by completing the roll-out of BMS systems and connecting water quality logs to these wherever possible.

Strategic direction

23. In order to achieve the Council's stated aims, the areas of required change and investment are as follows.
24. **Direct public control:** We do not currently believe that developing long-term partnerships with the private sector in order to upscale investment and transfer risk away from the Council is the right way to go. Instead we will continue to deliver mainly Council led heat networks in order to keep maximum control, but will continue to utilise private sector expertise where this is most beneficial. Other contracting models could still be considered by exception and SELCHP would be one notable exception, though even here the Council retains direct responsibility for heat into residents' properties.
25. **Improving resident communications:** Keeping residents informed when there is an outage, finding convenient ways for residents to communicate with us, and taking a more collaborative approach to heating investment decisions needs to be at the heart of how the Council operates.
26. **Raising technical standards:** The decision to continue with an internal delivery model does not mean no change. Current contracts can be made to deliver increasing service standards, though increased spend is going to be necessary to achieve this. Two areas of particular focus are the installation of the remaining BMS control systems to provide maximum real-time remotely accessible data to the Council and its contractors, and the improvement of water quality and water quality monitoring. We will start to connect continuous water quality monitoring wherever it is possible to do so and log water consumption and quality readings into the BMS systems.
27. **Targeted investment:** Using a combination of site specific outage statistics, efficiency metrics and consultation responses, it is possible to prioritise those networks in most need of investment.
28. **Holistic investment:** Many of the Council's investments in recent years have focussed on individual elements of the networks, for example the boilers or the underground mains. In lots of cases this has undoubtedly been the right

approach, given both budget constraints and the need to ensure we are getting maximum life out of our assets. Partial renewal, however, can result in problems moving from one part of a system to another and sub-optimal design solutions been implemented. Given the age and condition of many of our assets, the Council may need to undertake more whole system renewals. Holistic projects obviously come with a higher initial price tag, but can result in better outcomes, fewer disruptive interventions and lower running costs.

29. **Options appraisals:** Where significant investment is required, a detailed options appraisal will be carried out to compare partial vs whole system investment, and to look at a range of different options from a capital, operational and lifecycle cost, as well as from a carbon perspective. Options appraisal reports will be shared with residents whenever possible and their input obtained, though it is important to remember that the Council often has to make difficult decisions that will not please everyone. The holistic investment and options appraisal principles will also ensure that wider asset investment needs such as building safety, fire safety and energy efficiency improvements are identified and work plans developed accordingly.
30. **SELCHP expansion:** Energy from Waste was identified in the Technology Appraisal within Appendix 5 as a key heating technology, and a project update is provided. Veolia has applied for a government grant to expand the SELCHP network in Southwark and is waiting to hear if a grant will be awarded. Next steps:
- If successful, it is anticipated that commercialisation activities will progress through to March 2022 when the capital grant would need to be drawn down to commence construction. If not successful, further grant applications are likely to be made, particularly in consideration of the upcoming Green Heat Network Fund.
 - Homeowner consultation is ongoing. Due to the nature of the contract, it will not be possible to follow the standard Section 20 consultation process and so the Council intends to apply for First Tier Tribunal dispensation from needing to follow the standard process. This is the process followed by the Council when it set up the initial Heat Supply Agreement with Veolia.
 - In terms of approval of the contract variation this would be dealt with through a Gateway 3 report. Section 6.6.3 of the Contract Standing Orders says “if the value of the proposed Variation is a Strategic Procurement, the decision must be taken by the cabinet or cabinet committee, after consideration by the CCRB of the report”. Strategic Procurement includes non-works contracts with values of £4 million or more. It is therefore the intention to bring a Gateway 3 paper to cabinet for the approval of a variation to the SELCHP Heat Supply Agreement with Veolia.
31. **Heat pumps:** Heat pumps were identified in the Technology Appraisal within Appendix 5 as a key heating technology, and a project update for the Consort, Newington and Wyndham water source heat pump installation is provided. Post installation the Council must monitor this project carefully to ensure all possible lessons are learnt and we are in as strong a position as possible to roll-out further heat pump projects. Specialist maintenance contracts will be required initially, but the Council will also start to require more low carbon expertise from its

primary maintenance contractors. Heat pumps are likely to be a significant way in which the new homes being built by Southwark are heated, and the Council needs to be able to monitor and maintain these systems effectively. In terms of wider roll-out of heat pumps into existing heat networks beyond the three sites named above, without the RHI such projects, while saving carbon, could increase residents' heating bills. We will continue to monitor government grants and make use of these as much as possible.

32. **Heat meters:** For reasons of compliance, resident control and energy efficiency, dwelling level heat meters will need to be installed, though the extent of this programme is not yet defined. However, in accordance with feedback from the Residents Working Group, the wider resident community, and recent experience from our newly built homes, the intention should be to deliver as simple a billing system as possible. This should be along the lines of encouraging energy efficient behaviour while also protecting vulnerable residents from the risk of fuel poverty. The next step is to complete all Cost Effectiveness Tests, required by heat metering legislation, by November 2021 as described in Appendix 6.
33. **Compensation:** Views from the Residents Working Group were that the issuing of compensation has been too ad hoc and difficult to obtain, but on the other hand the group wanted to avoid the development of a compensation culture which left the Council over-stretched on claims and unable to invest in actually improving the problematic systems. The Housing Scrutiny Commission report on district heating recommended that the compensation policy review be completed promptly and "that any new policy should simplify the compensation payment process, and remove the need for detailed and onerous record keeping by residents."
34. As reported to cabinet in January 2021 in response to the HSC recommendations, there is now a new compensation policy in place. The main elements of the new compensation process is to make it as direct, automated and live as is possible, including a flat rate payment of £3 for every whole day that the outage goes on for.
35. **Disconnection applications:** The Council does not support individual properties (either tenants or leaseholders) disconnecting from its district and communal heating systems for reasons of efficiency, system imbalance, decarbonisation and the increased burden of cost upon remaining connected properties. The Council cannot prevent freehold properties from disconnecting, however, if the owners bear all costs of disconnection. This position has been laid out on the Council's website for many years but not formally adopted as policy. Leaseholders and freeholders often request permission to disconnect and it is recommended that the Council adopts the District Heating Disconnection Policy for Freeholders and Leaseholder located in Appendix 1 to further clarify its position.
36. **Consultancy support:** The Council relies heavily upon being able to access good quality Mechanical and Electrical (M&E) advice quickly when it is needed. This may be on either planned major works projects or in reactive situations. The current consultants framework has certain commissioning value and duration

limits which have restricted the Council's ability to easily procure the necessary support. Furthermore, the capacity of the consultants has sometimes been an issue. The Council is currently working to establish a new Professional Technical Services Framework. The intention is to appoint four consultants able to provide M&E support which is double the number of companies accessible under the previous framework. This should address the capacity issue and increase the degree of specialist knowledge available.

37. **Procurement (capital works):** The Council's 'major works' framework (Lot 3 – heating) has recently expired. Mini competitions through the framework allowed the council to appoint pre-approved contractors relatively quickly and all contractors had signed up to a Schedule of Rates to keep pricing carefully controlled. Unfortunately, not all contractors on the framework had the time and resource to bid for all projects and this reduced the level of competition. The Council has investigated a number of specialist external frameworks that cover district heating works and which appear to have robust specification, increased competition and good value for money. Subject to legal review, the Council is likely to use these external frameworks for procurement of upcoming projects.

Investment plan

38. The Council has carefully analysed outage records, gas consumption, complaints records, engineer feedback and resident feedback from the borough-wide consultation to develop a data-led investment plan which enables us to balance reliability, affordability and low carbon objectives across every housing heat network and target attention where it is needed most. A significant increase in expenditure will be necessary over the coming years, from around £5m p.a. in 2022/23 to £25m p.a. in 2024/25. Please refer to Appendix 3 for more detail.

Heat metering regulations

39. The Heat Networks (Metering and Billing) Regulations 2014 were updated in 2015 and again in 2020. The latest version requires heat supplies (including the Council) to install heat meters in a lot more situations than previously. We are currently working through the latest requirements and will bring a separate paper to cabinet relating specifically to Heat Metering policy and practice. A fuller update is provided in Appendix 6.

Update on heat networks market regulation

40. The government is proposing to implement a regulatory framework for heat networks to protect consumers, support market growth and develop low carbon networks. A consultation was run in 2020 which made clear that heat network operators (including the Council) would face a number of new requirements. Until the government provides more clarity it is not possible to ascertain the full impacts. The Council must keep fully abreast of developments to ensure that it is ready and able to comply with new regulation. Further information is provided in Appendix 6.

Financing heat network investments

41. With a very significant investment need the Council has explored whether it would be beneficial to partner with private sector operators some or all of our heat networks. Various models exist and despite some advantages of these approaches, the balance of financial, operational and resident outcomes has resulted in the position that this would not be right for the Council at this time.
42. Further to outsourcing elements of ownership and operation, the Council has also begun considering the use of sinking funds to smooth homeowner payments relating to capital works. Sinking funds have previously been found to be complex to operate and to create problems for the Council and homeowners as well as solving them. A new option of ring-fencing capital works investments within a wholly-owned company is now being looked at and specialist legal advice on this is being sought. Further information on these topics is provided in Appendix 6.

Homeowner disconnection applications

Current situation

43. Leaseholders and freeholders often apply for permission to disconnect from a district heating system. The Council does not currently have a clear policy on who can and cannot disconnect from district heating systems. Information on our website has been historically unclear and suggests that homeowners can apply through our 'Permissions to alter' process.
44. However, there is no provision within the Council's Lease Agreements that entitles leaseholders to disconnect. All applications from leaseholders are refused at the initial request stage and they are not asked to pay a permission fee.
45. The lack of clarity raises expectations that leaseholders may be able to disconnect and if our approach is always to not allow this, we should be transparent and have a policy that explains our reasoning.
46. Transfer Agreements registered against a title allow freeholders to disconnect from a district heating system as long as they cover the costs of the disconnection. The charge to disconnect is calculated to be the amount that the council would need to invest in order to provide a return that would cover the annual cost of providing the service to the property (including any future major works costs).
47. The majority of freeholders transfer agreements have the provision which allows them to request to be disconnected from the councils heat network/district heating system as long as they pay the appropriate disconnection charges. The covenants that apply which specifically relate to the district heating system are:
 - 'If at the date hereof the Property is attached to a district heating system supplying central heating and/or hot water to it and other properties:
 - (a) Not to disconnect the Property from such system without paying to

the Council a sum of equal to all the Council's costs and expenses of or occasioned directly or indirectly by such disconnection; and

- (b) So long as the Property remains connected to such system to contribute and pay on demand a fair and due proportion of the costs of maintaining repairing and renewing such system and of the provision of central heating and hot water thereby (and this obligation shall extend to a demand made after the Property has been disconnected but relating to costs incurred before such disconnection).

48. If the sum is not charged then the fixed costs of providing the service (boiler and pipework maintenance, repair and renewal) will increase for all other properties attached to the system. The current average disconnection fee is £39,500. The average is high due to the age of most of the systems in the borough.

Rationale for refusing disconnection requests from leaseholders

49. **Bulk discount on fuel:** The council buys its fuel in bulk, thereby achieving discounts not available on the normal domestic market. All residents attached to a district heating system benefit from the lower cost of gas used to fire the boilers. Should a communal system be decommissioned and individual boilers be installed, then both leaseholders and tenants would be responsible for paying their fuel bills directly to their domestic suppliers, and would not be eligible for the discounts received by the councils bulk purchase. In some cases this would lead to residents suffering from fuel poverty, particularly tenants who also currently benefit from the pooled nature of heating charges.
50. **Shared running costs:** Every household connected to the district heating system contributes to the running and maintenance costs. The main reason the council does not give permission to leaseholders to disconnect from the system is the running and maintenance costs are then levied across the remaining homeowners and tenants, resulting in an increased financial burden. As the landlord, Southwark must ensure there is no additional financial burden to those residents remaining on the district heating system.
51. **System imbalance:** Disconnection of an individual flat can also create and imbalance of pressure and lead to increased maintenance costs.
52. **Decarbonisation:** District heating systems are a key part of local, regional and national policy for decarbonising heat because of the relative ease of introducing renewable and low carbon technologies at scale, in a way that is not possible on an individual domestic level. It is therefore incompatible with the council's 2030 net zero carbon target to undermine the functionality of its district heating systems. Paragraphs 73 - 82 lay out a pathway to achieving carbon neutral heat networks.
53. **Air quality:** Centralised boilers also have lower NOx emissions compared to individual boilers and taller flues leading to better flue gas dispersion. This results in district and communal heating systems having less negative impacts on local air quality compared to individual gas boilers. Converting centralized boilers to

large heat pumps or other renewable sources will reduce air quality impacts even further.

Disconnection Policy Proposal

54. It is recommended that the District Heating Disconnection Policy for leaseholders and freeholders contained in Appendix 1 be adopted as council policy. This includes, for the reasons outlined above, the principle of refusing requests from leaseholders to disconnect from a Council heat network / district heating system and only permitting freehold disconnection requests in line with the transfer agreements when the appropriate disconnection charge has been paid.

Policy framework implications

55. Despite the Council's historic position of not allowing district heating disconnections, as noted in paragraph 43-54 and 35, this has never been formalised as policy. It is recommended that the "District Heating Disconnection Policy for leaseholders and freeholders" contained in Appendix 1 is adopted as policy.
56. The London Plan committed to meet 25% of London's energy requirements through the use of decentralised energy by 2025.
57. A manifesto pledge commits the council to becoming carbon neutral by 2050 and a motion passed by cabinet in April 2019 commits the council to achieving carbon neutrality by 2030 if possible.
58. Heat metering and billing regulations require the council to install block level heat meters, undertake cost-effectiveness calculations and install final customer heat meters wherever required.
59. Heat market regulation has been recommended to government and is likely to come into force in the coming years.
60. As noted in paragraphs 33-34 the Council is changing the way it deals with heating outage compensation. This is reflected in the updated compensation policy.
61. The heat networks strategy outlined here will assist the council in all of these policy areas.

Community, equalities (including socio-economic) and health impacts

Community impact statement

62. More than 17,000 residents rely on the council's district heating systems for their everyday heating and hot water needs. This paper relates primarily to shaping future investment in these assets.
63. With regard to locations where the decision is taken to proceed with investment

in heating systems, those living in properties may experience some inconvenience and disruption in the short-term, while works are taking place but communities as a whole will benefit in the longer term.

64. In local areas, the effects will be mitigated by working closely with residents on the delivery process and using experience gained on a significant number of recent projects. Residents will continue to be at the centre of and involved in works that take place. Where financially viable other positive community impacts will also be included as part of any proposed works.
65. Investing strategically in the council's heat networks will provide a better standard of heating for residents and contribute to improved general health and well-being. Due consideration will be given to residents with specific needs both during works and after completion.

Equalities (including socio-economic) impact statement

66. The Public Sector Equality Duty requires public bodies to consider all individuals when carrying out their day to day work, in shaping policy, in delivering services and in relation to their own employees. It requires public bodies to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations between different people when carrying out their activities.
67. As set out under the Equality Act 2010 and the Public Sector Equality Duty (PSED) an equalities impact assessment has been carried out (Appendix 4). Overall, the strategy if implemented should reduce inequality and have a positive impact on groups which are protected under the Act.
68. Major investments in the Council's heat networks, while bringing improved reliability and efficiency (which should lead to lower overall heating costs) can also cause high capital charges in the short term which would normally be passed on to homeowners.
69. It has been discussed in paragraphs 77-82 that although the wider roll-out of heat pumps is a key way of reducing carbon emissions, in some instances this could cause heating bills to rise. Affordability and low carbon are not necessarily mutually exclusive objectives, but there will sometimes be a tension here. Investment decisions should carefully weigh all factors. Maximising the use of available grants for low carbon technology and lobbying government to extend these, will help to minimise costs to the Council and residents. The options appraisal process developed also seeks to ensure that resident fuel bills are appraised before investment decisions are made.
70. The implementation of dwelling level heat metering could give rise to confusion and concern amongst some residents as it could bring about changes to the way they pay for heat and the actual costs that they face. Higher users could end up paying more, and this is more likely to effect elderly or vulnerable residents who require warmer temperatures to stay comfortable. Further consideration will be given to this in a future paper prior to implementing heat metering and billing

systems within existing properties.

Health impact statement

71. Without bringing forward the types of investment described in this document to upgrade the Council's heat networks, residents will face increasing issues with system reliability and outages. Vulnerable residents will be particularly disadvantaged by outages and ineffective heat supply. It is well known that cold indoor temperatures can lead to respiratory problems in particular as well as other illnesses. People with certain disabilities, the elderly and the very young are particularly vulnerable to such issues. And economically disadvantaged households often have less resources available to them to deal with the impacts of unreliable heating. Health issues and socio-economic issues are deeply intertwined. As indicated in paragraph 15, the issue of fuel poverty is really a combination of factors – excessive heating costs and inadequate income. Fuel poverty and resident heating costs should remain a key consideration for future investments. A modern and efficient system should decrease fuel usage, particularly when internal controls are introduced. However the cost of providing heat to residents should remain a consideration from a health perspective as well as an economic one.

Climate change implications

72. Following council assembly on 14 July 2021, the council has committed to considering the climate change implications of any decisions.
73. A motion passed by cabinet in April 2019 commits the council to achieving carbon neutrality by 2030 if possible.
74. The main climate change implication of the Heat Networks strategy is a positive one – i.e. a reduction in carbon emissions through both improved efficiency and the introduction of low carbon heating technologies. The carbon emission savings of each individual project (e.g. SELCHP extension) will be assessed on a case by case basis when they are brought forward for investment. Overarching monitoring of emissions from the Council's heat networks will be addressed through utility consumption records.
75. As discussed in the Technology Review (see Appendix 5), the key heat generation technologies to feature in the Council's heat network investments in the coming years are energy from waste (SELCHP), heat pumps and gas boilers (where necessary). While the latter are not considered low carbon, their continued use could feature as a supporting technology to provide back-up heating or "peak lopping" allowing smaller and more cost-effective heat pumps to be installed.
76. Based upon the technology review conducted, a possible carbon reduction profile from the present time to 2030 has been prepared (Figure 1). This is dependent upon availability of government grants. This includes the current water source heat pumps project (11% reduction), the projected SELCHP expansion (cumulative 31% reduction), the further roll-out of heat pumps

(cumulative 68% reduction), an extensive fabric energy efficiency programme (cumulative 82% reduction), and finally the adoption of green gas and electricity to reach net zero.

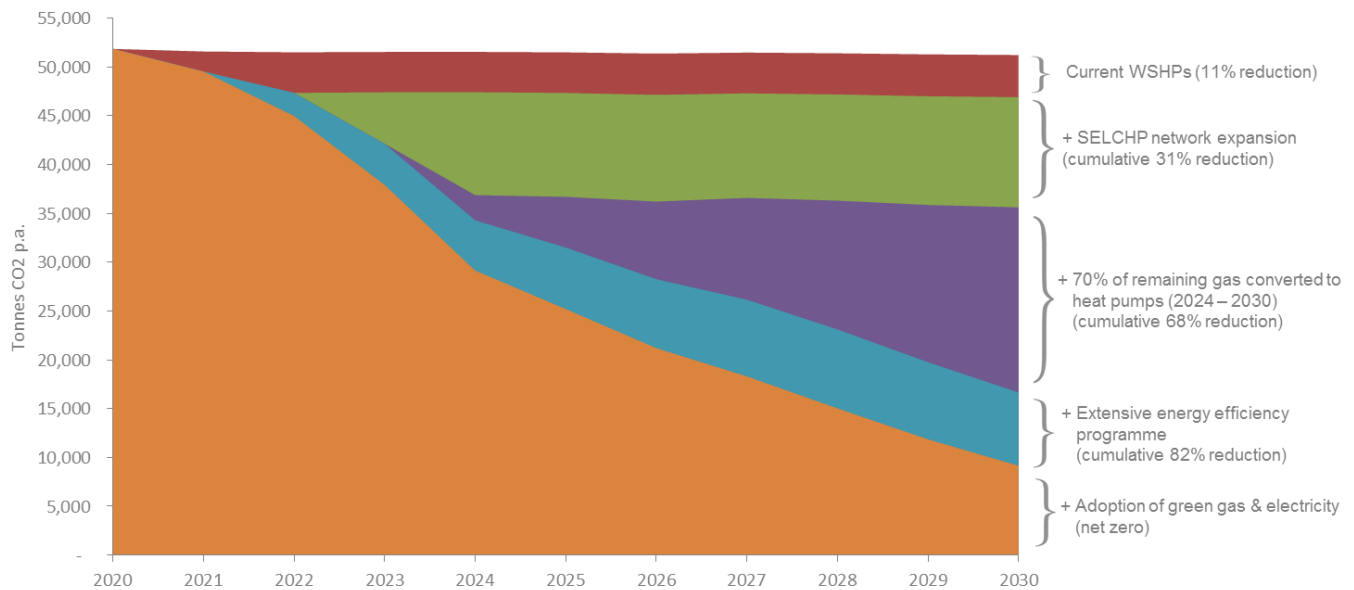


Figure 1 – Profile of potential decarbonisation of the Council heat network assets from 2020 to 2030

77. The current water source heat pump project is able to deliver heat in a cost neutral way to residents, and while the SELCHP extension project is still subject to commercial negotiation, the expectation is again that cost neutrality should be achieved. Unfortunately, to implement a wider roll-out of heat pumps without the RHI grant, is likely to lead to heating costs increasing for residents.
78. One way of overcoming any associated heating cost increases would be to install additional thermal energy efficiency measures. This could be roof, wall or floor insulation, improved glazing or draught exclusion. Wherever air tightness is improved, ventilation requirements must also be considered to avoid poor indoor air quality. The Council has recently commissioned a specialist consultancy to carry out a detailed energy efficiency stock assessment designed to identify the best measures on a property by property basis. This is not just for the district heating stock but all Council properties. The results of this work will feed into further investment planning.
79. Improving the thermal efficiency of buildings served by heat pumps has a double benefit. Firstly, it reduces the space heating requirement, which translates to less electricity demand from the heat generation directly. And secondly, since there is a lower heat demand, radiator temperatures can be reduced which allows the heat pumps serving the system to work more efficiently, reducing electricity consumption and therefore communal costs, still further.
80. An extensive fabric energy efficiency programme would certainly help to overcome any increases in running costs from installing heat pumps, but presents a different challenge in that the capital cost of such a programme would

be significant, creating further demands on Council budgets and giving rise to additional leaseholder capital charges. These would be on top of any capital charges relating to the heat pumps themselves and any other heating works that may be required.

81. Therefore, the proposed approach is not without challenges, and further detailed planning will be required. As already stated, the Council must ensure it maximises its use of government grants on the pathway to net zero carbon and uses all appropriate opportunities to lobby government to bring forward low carbon heating grants targeted to overcome these challenges.
82. The use of green gas and electricity is not just being considered as a final step towards carbon neutrality, but also as a possible short-term step. There are numerous factors affecting this decision, including the capacity of green gas production and whether it will have a net benefit or just an institutional benefit. Cost is also a factor. It has been estimated that to switch all of our heat networks onto green gas contracts would cost around £3.5m, equivalent to £200 per property.

Staff resource implications

83. An appraisal will need to be conducted on the impact of the emerging strategy on various teams across the council, in particular Housing and Modernisation's 'Engineering' and 'Major Works' teams and their capacity to deliver additional installation projects, new processes, while also adjusting to new building safety and fire safety regulations. The implementation of large scale heat metering could also have significant resource implications on staff within Asset Management, Finance and Resident Services which will need to be examined as the scale of implementation becomes clear later in the year.
84. The changes in delivery laid out within this paper, do not just refer to doing more but also to doing things differently – both in terms of technologies and processes. As the Council adapts to installing, managing and maintaining different technologies and processes there will be a need to invest in training and staff development.

Financial Implications

85. Several aspects of implementing this Heat Networks Strategy carry financial implications, including the following.
86. The decision not to pursue private ESCO funded investments other than by exception means that the Council will need to directly fund all of the necessary investments. This decision will mean more capital expenditure in the short to medium term rather than spreading costs out over a longer timeframe. Careful forecasting will be critical to ensure HRA budgets are not over stretched.
87. The ongoing investigation into whether the Council could ring-fence some borrowing against its capital investments in district schemes and make repayments over a period mirroring the assets' amortisation, could end up having

the opposite effect on the HRA, i.e. spreading payments out into the longer term. As the outcome of this investigation is unknown at present, this will need to be revisited.

88. In line with the Strategic Direction and Investment Plan a draft capital works budget is being prepared. Due to the increased focus on completing holistic investments preceded by options appraisals, many of the specifics are still to be confirmed, which clearly affects the actual required budget. However, draft capital budget requirements are known to fit within the currently forecast spend. Longer term budget setting has also commenced with an overall framework developed for prioritising projects and scoping each cost element.
89. Heat metering – Meeting the Council’s heat metering obligations has several cost implications:
- As noted, until the cost-effectiveness tests are complete the number of required installations is unknown and thus difficult to budget. An early prediction would be £5m spend in 2022/23.
 - Once dwelling level meters are installed, the Council must bill residents according to consumption. Multiple (and very different) approaches to this exist but all will have an operational cost. The 2020 amended regulations state, “It will be considered... economically justified... where the estimated reasonable costs... [do] not exceed £92 per final customer per calendar year”. These costs would be included in the cost of heat so are really a financial impact to residents rather than the Council directly. On average residents should pay less overall because of fuel cost reductions, but high users could pay more and this must be considered carefully as tariff structures are worked out.
 - If the Council chooses to deliver the billing service in-house rather than pay an external agent to do this on our behalf, there would be a service development cost, again depending on the model chosen. The most cost efficient solution will depend to a large degree on the number of properties receiving heat meters, and will require further consideration in due course.
 - As noted in Appendix 6 under heat metering regulations, the issue of VAT on separated heating charges is currently being investigated.
 - We believe we can manage the cost effectiveness elements of the heat metering regulations (see Appendix 6) with current staff resource but to manage the installations and specifically to handle resident communication may require additional internal capacity depending on the number of meters to be installed. This could involve recruitment part way through 2021/22.
 - The delivery of heat billing would also require additional internal staff resource if done in-house. This would involve recruitment in 2022/23.
 - Managing the partial transition to metered billing while still ring-fencing costs and incomes within the heating account will require careful planning.
90. Market regulation – as noted in paragraph 40, the current proposal for future regulation of the heat networks market, is that the regulator would charge fees to heat network operators (including the Council). It is not yet clear what level of fees would be applicable, or from when the Council would be liable to pay such fees.

91. Compensation – as noted in paragraphs 33-34, the Council has updated the way it calculates and pays compensation to residents. This will have a financial impact and this is currently being assessed.
92. Grants: As noted in paragraph 77 the current water source heat pumps project has been reliant upon a Renewable Heat Incentive (RHI) grant. The Council has supported Veolia in applying for a Heat Network Investment Project (HNIP) grant to fund the SELCHP extension. And the Council has also recently applied to the Public Sector Decarbonisation Scheme (PSDS) for assistance with capital for decarbonising non-housing assets. It is noted that there can be a capital and running cost penalty from installing heat pumps without grant support. It is further noted that we must therefore closely monitor all relevant grant streams, including the Green Heat Network Fund and the Clean Heat Grant which are expected to commence in 2022.

Consultation

93. Extensive resident consultation has taken place to ensure that the Heat Networks Strategy and associated investments take account of as wide a range of views and experiences as possible. A heat networks Residents Working Group was set up and provided detailed feedback on a number of topics. Following this a borough-wide consultation exercise was run, and presentations were delivered through local housing forums, tenants council and home owners council. The presentation to the Homeowners Forum included the principles of the proposed disconnection policy as summarised in paragraphs 54 and 35. A summary of all resident consultation activities and outputs is provided in Appendix 2.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy

94. In July 2019 the cabinet approved the development of a Heat Networks Strategy and Investment Plan and a number of steps that associated with that. This report is an update on progress since that time for noting and seeks agreement to the principles and activities laid out within the Strategic Direction, Service Improvement and Investment Plan (paragraphs 17-38). The report also includes reference to a disconnection policy which the cabinet is asked to approve.
95. Pursuant to Part B of the council's constitution, the cabinet is responsible for formulating the council's overall policy objectives and priorities and to approve key strategies and this report seeks further approval of this particular policy in accordance with this.
96. In considering this report, the Cabinet should have regard to the council's obligations to carry out its duties in accordance with the principles of best value and to ensure its functions are exercised having regard to a combination of economy, efficiency and effectiveness.
97. In continuing to develop the plan, where this directly impacts upon the day to day lives of residents, the council will, where appropriate, consult relevant parties on

the various options before reaching decisions so that those responses can be conscientiously taken into account by the decision makers. The report demonstrates how this has been done since the 2019 report and the results of that consultation are included to be taken account of.

98. The cabinet must continue to take into account the public sector equality duty (PSED) general duty under the Equality Act 2010 when making decisions in relation to this strategy, and specifically to have regard to the need to (a) eliminate discrimination, harassment, victimisation or other prohibited conduct, (b) to advance equality of opportunity and (c) foster good relations between persons who share a relevant protected characteristic and those who do not share it. The relevant characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion, religion or belief, sex and sexual orientation. The PSED general duty is a continuing duty and potential equality considerations should be considered at the different stages of the programme. Cabinet is specifically referred to the community impact statement in the report and the Equality Impact Assessment that has been carried out.
99. It is noted that further decisions will need to be made via the procurement processes of the council, and officers from legal services will provide legal advice, when required, in relation to these processes. It is noted that specialist legal advice may also be provided as required.
100. The statutory duties and powers referred to in this report are noted by the Director of Law and Governance, in particular the responsibilities arising from the Networks (Metering and Billing) Regulations. It will be important for the council to continue to plan a programme which enables compliance with these regulations.

Strategic Director of Finance and Governance (H&M 21/056)

101. This report provides a comprehensive update on the council's heat network strategy for council homes. The council is one of the largest heat network providers in the UK, with over 17,000 domestic properties connected to its district heating systems, and the sheer scale of the heat network, together with its age and the council's commitment for decarbonisation means that significant investment is now needed. At this stage, the investment plan is being developed and the level of investment required is not fully known. It will, however, require borrowing in part to finance it, as will other elements of the council's Housing Investment Programme. The need to ensure that borrowing is both sustainable and affordable for the HRA will inevitably lead to re-prioritisation and re-profiling of the Housing Investment Programme to enable to the council deliver on its commitments for the heat network and other programme areas.

BACKGROUND DOCUMENTS

Background Papers	Web links
January 2017 Cabinet paper titled "Borough wide District Heating Strategy" Link: https://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=5377&Ver=4 (Item 10)	
July 2019 Cabinet paper titled "Southwark Heat Networks Strategy Update" Link: https://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=6414&Ver=4 (Item 14)	
October 2020 Housing and Community Engagement Scrutiny Commission paper titled: "District Heating and Heat Networks Final Report" Link: https://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=6663&Ver=4 (Item 24)	
January 2021 Cabinet paper titled: "Response to Housing Scrutiny Commission report into District Heating" Link (please copy and paste into browser): https://moderngov.southwark.gov.uk/documents/s92971/Report%20Response%20to%20HSC%20Report%20on%20District%20Heating.pdf	

APPENDICES

No.	Title
Appendix 1	Disconnection from District Heating Systems Policy
Appendix 2	Outputs of Resident Consultation Activities
Appendix 3	Investment Plan and Sites of Concern
Appendix 4	Heat Network Strategy Equalities Impact Assessment
Appendix 5	Heat Networks Strategy Development
Appendix 6	Regulation and Financing

AUDIT TRAIL

Cabinet Member	Councillor Stephanie Cryan, Council Homes and Homelessness	
Lead Officer	Michael Scorer, Strategic Director Housing & Modernisation	
Report Author	Tom Vosper, Strategic Project Manager – Heat Networks	
Version	Final	
Dated	2 September 2021	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Director of Law and Democracy	Yes	Yes
Strategic Director of Finance and Governance	Yes	Yes
Cabinet Member	No	No
Date final report sent to Constitutional Team	2 September 2021	

Item No. 14.	Classification: Open	Date: 14 September 2021	Meeting Name: Cabinet
Report title:		Gateway 1 - Procurement Strategy Approval Insourcing the leisure service	
Wards affected:		All	
Cabinet Member:		Councillor Alice Macdonald, Equalities, Neighbourhoods and Leisure	

FOREWORD – COUNCILLOR ALICE MACDONALD – CABINET MEMBER FOR EQUALITIES, NEIGHBOURHOODS AND LEISURE

We are proud of the commitment and investment we have made in ensuring our residents have access to high quality leisure services, enabling them to live healthier lives. The Covid-19 pandemic has had a huge impact on the leisure sector in general and on the operation of the council’s leisure facilities. As we look towards the recovery we have the opportunity to think innovatively about how we deliver leisure services for our residents.

In March 2021, the council agreed a preference to bring our leisure services in-house by June 2023. This report confirms our commitment to do this, sets out progress to date and a plan for the way forward as well as the resources required for the initial mobilisation period.

This is an exciting and bold move to deliver leisure services through an in-house team and is in line with our preference for in-house services which helps ensure we put residents at the heart of everything we do.

Our immediate priority will be ensuring a seamless transition so residents continue to receive an excellent service. We will work closely with Everyone Active, partners, stakeholders and suppliers, to ensure this is the case. After this initial period, we will work to create an innovative new service fully aligned with our council priorities of tackling inequality and improving the health and wellbeing of residents.

I’d like to thank Everyone Active’s Southwark staff for their hard work and commitment throughout the pandemic and all the work they have done to deliver leisure services for our residents. This report underlines our commitment to supporting all staff and ensuring a smooth transition. An in-house leisure service will be specifically focussed on attracting and retaining local people as employees and will provide local people with additional training and development opportunities.

There is no doubt that this is an ambitious project and we are conscious of the risks that are present, which is why this report sets out a frank assessment of those risks and how we will mitigate them as a council. But this is also a hugely

exciting and innovative project. Southwark Council's leisure offer is already pioneering, providing free swim and gym and adult swimming lessons, to everyone who lives in the borough. We will also be opening a new athletics centre in Southwark Park by the end of the year and a brand new leisure centre in Canada Water by 2025.

We are committed to ensuring bringing our leisure services in house will serve our residents even better with world class leisure services and facilities for all.

RECOMMENDATIONS

That cabinet:

1. Approves the plan to bring the leisure service back in house following the recommendation of the GW0 report in March 2021.
2. Approves the immediate resource required to bring the service in house from June 2023 and the detailed delivery plan set out at Appendix 1.
3. Approves the one off mobilisation costs covering the whole mobilisation period necessary to insource the leisure service, estimated to be £2.4m, and asks the Strategic Director for Finance and Governance to make the financial provision from earmarked reserves.
4. Notes the work that has been completed so far on the preferred option to insource the leisure service when the current contract with Sport and Leisure Management Limited (operating as Everyone Active) ends in June 2023.
5. Notes the associated benefits and risks of insourcing the leisure service as detailed in paragraphs 68-77 and the mitigation measures.
6. Notes a progress report will be brought back to cabinet in Spring 2022 updating on progress with the delivery of the project plan and management of the risks identified in this report.
7. Delegates authority to the Strategic Director of Environment and Leisure, in consultation with the Strategic Director of Finance and Governance, the Cabinet Member for Equalities, Neighbourhood and Leisure, the Cabinet Member for Finance, Performance & Democracy and Cabinet Member for Transport, Parks & Sport to approve operational and resourcing decisions in the lead up to insourcing the leisure service provided that they are consistent with the principles set out in this report.

BACKGROUND INFORMATION

8. On 21 June 2016, the council entered into a seven year leisure contract with an option to extend for a period or periods of up to a further seven years at the council's discretion with Sport & Leisure Management Limited (SLM) for the management of the council's eight leisure facilities and for the operation

of the sports booking service. SLM operate under the name of Everyone Active (EA).

9. Prior to the outbreak of the COVID-19 pandemic, the leisure contract was performing well operationally but was not achieving the expected income levels. SLM had cited the proliferation of low-cost “budget” gyms in Southwark and the significant success of the council’s pioneering free swim and gym scheme as being major factors causing the financial underperformance. Both the council and SLM were in discussion at that time about the best way to address this.
10. On 20 March 2020, the Government instructed that all public leisure centres should close the following day for public health reasons in relation to the coronavirus pandemic. Since this enforced closure of the council’s leisure centres and through subsequent periods of restricted opening and operational constraints, the council has agreed a series of financial support packages with SLM to enable the leisure centres to continue to operate.
11. In October 2020, cabinet agreed to continue to contract with SLM until the scheduled end of the leisure contract in June 2023. The cabinet also gave approval to enter into negotiations and agree a contract variation with SLM which would require the council to provide further financial support to SLM until the end of the contract period (June 2023).
12. In early 2021, officers, with the support of a specialist external sport and leisure consultancy, carried out a comprehensive management options appraisal to aid the council in its decision on the future delivery of the leisure service from June 2023 onwards.
13. Following this options appraisal, the following four options were considered by Cabinet in March 2021, in the Gateway 0 paper for the delivery of the council’s leisure services:
 - 1) Renewed outsourcing of service – i.e. re-commissioning of SLM or another leisure management contractor via a competitive procurement process.
 - 2) Insourcing – i.e. transfer back to in-house management / direct delivery by the council.
 - 3) Transfer of services to a newly-created local leisure trust.
 - 4) Transfer of services to a newly-created Local Authority Controlled Company (LACC).
14. The management options appraisal concluded that, given the council’s strategic objectives for the leisure service, three options - insourcing, a further period of outsourcing and transfer of services to a new LACC - were feasible.
15. The council has a preference for in-house services wherever possible, as it enables services to be fully responsive to council priorities and provides

opportunities for close working between council departments to deliver strategic outcomes in a more innovative and joined up way.

16. The Borough Plan makes a commitment to, 'Invest in our leisure centres and ensure our residents can continue to access high quality leisure services'. The management of the leisure centres and delivery of excellent leisure services is also directly linked to the council's commitment to a 'Fairer future for all', in particular: 'We want to break down barriers that prevent people from thriving in Southwark, so that whatever your background you can live a healthy life'.
17. Further 'Southwark Stands Together' pledges include the commitment to "...work to address and prevent structural racial inequalities and structural racism within our organisation, the organisations we partner with and within the service we deliver..."
18. The flexibility of an in-house service would enable the council to redesign its services to better serve the needs of residents and to meet these commitments. This might include the provision of facilities and services that may be less commercially attractive, but which may improve opportunities for residents across the borough and target provision where it is most needed.
19. In addition, one of the key benefits typically anticipated from outsourced leisure management arrangements has been the assumed transfer of significant financial risk away from the council onto the leisure management partner. However, both prior to and since the COVID-19 pandemic, the council has been exposed to unexpected financial risks not foreseen at the time of contract award. These additional and unexpected financial risks have reduced the financial benefits normally seen through outsourcing, so further supporting the option to insource the leisure service.
20. In this context, a paper was brought to cabinet on 9 March 2021 which noted that insourcing the leisure service was the preferred option to meet the council's objectives and a recommendation was agreed to bring a Gateway 1 paper to cabinet in autumn 2021 to seek approval for the recommendation to insource the leisure service. See paragraph 1.
21. The council's primary aims and objectives for the insourcing strategy are;
 - Transferring the service as smoothly as possible for customers
 - Transferring the service as smoothly as possible for staff
 - Minimising where feasible the cost of insourcing the service
 - To give the council direct control over its leisure services.
22. The challenge of bringing this complex customer-focused and market-driven service in house cannot be underestimated and, in the first instance, the focus must be on a safe and smooth transition from the current provider to direct delivery by the council in June 2023 - with the aim of **having** no detriment to the current levels of service provision and minimum impact on staff transferring.

23. Insourcing of leisure services is an almost unparalleled approach. It demonstrates the council's full commitment and ambition to delivering the best possible leisure services for residents and represents a long term commitment. As such, it requires a carefully phased implementation approach to ensure success, with the initial focus being wholly on transferring the existing service into the council, at a time when there will also be a need for significant focus on preparing for the opening of the borough's new leisure centre at Canada Water. Adopting a measured, phased approach and pace will ensure sustainable success.
24. In the longer term, once the service has been transferred and been given sufficient time to settle, the council also wishes to address the following long term objectives:
- To ensure that the council can provide leisure facilities and services according to its priorities, maximising opportunities for residents to lead healthier lives
 - To ensure the health and wellbeing of residents is prioritised as we emerge from the pandemic, especially those from Black, Asian and Minority Ethnic communities (in accordance with the principles of Southwark Stands Together)
 - To work innovatively with key departments and divisions across the council and with partners, to provide excellent services for residents most in need
 - To minimise the immediate financial impact of the delivery of services.
 - To run a service that is fit for the future and can respond flexibly to shifting priorities
 - To increase the numbers of locally employed people who will benefit from the council's favourable terms and conditions
25. This paper sets out the process by which the leisure service will be insourced in June 2023, describes the key phases and tasks involved, identifies the anticipated benefits and risks and the resources likely to be required.

MARKET CONSIDERATIONS

26. In considering the implications of insourcing the leisure services, it is useful to consider the wider context of the local authority leisure market and leisure management arrangements across London.
27. In terms of the current local authority leisure market in London, 32 of the 33 London boroughs currently outsource leisure facility management. One borough manages an in-house service. A total of eight leisure management contractors have a presence in London; however GLL/Better (operating in 15 boroughs), Everyone Active (9 boroughs) and Fusion Lifestyle (4 boroughs) are the only organisations to have more than two contracts. Some boroughs have two operators delivering services in their boroughs.

28. Since March 2020, the leisure market has been reacting to the impact of Covid-19. Prolonged closure periods and subsequent periods of limited operations have significantly reduced income generation from local authority leisure facilities and have led to significant financial instability across the sector. The phased reopening of facilities since April 2021 means that local authority leisure facilities are currently in a phase of income recovery. Whilst initial signs are encouraging, it is not yet clear to what extent and at what rate pre-COVID income and general financial performance levels will be recovered.
29. The long term impact on the sector will depend to a great extent on the speed at which customers return to leisure centres, or choose instead to retain new habits developed during COVID, such as on-line classes and running outdoors. This is a factor regardless of the management approach taken for Southwark's leisure centres, but should be noted, as it adds additional but unavoidable risk.
30. Across the local authority leisure market the level of financial impact and the uncertainty of when that financial impact might end, means that many local authorities have started to consider radical solutions including facility closures and changes to established management arrangements. Whilst there are, to date, only a small number of examples of local authorities actually changing their management arrangements, the anticipation is that this number is likely to increase through 2021 and beyond, with reconsideration of management options, coupled with facility reviews, driven by a need to deliver affordable and sustainable services.
31. The council has been in explorative discussions with two boroughs who have both confirmed that they are considering different management arrangements for their leisure service. There may be future opportunities for the council to work together with these boroughs to achieve synergies and economies of scale, for example, by procuring gym equipment collectively.
32. The leisure sector as a whole faces an uncertain future. The impact of COVID-19 may well change the sector significantly, after a period of time which has seen the rise of budget gyms and a more competitive market. Consumer choice, and the economy, will also be significant factors. It will be necessary, therefore, for future provision to be flexible and responsive, to maximise opportunities associated with rapid change.

THE INSOURCING PROCESS

33. The current contract with EA ends in June 2023. The council is planning to insource its leisure services from June 2023 which will result in the complete transfer of all the leisure services back into the council's management.
34. In preparing for the anticipated insourcing process, preparation work has begun and a series of workstreams have already commenced:

- The delivery programme is being scoped with key functional leads from Employee Experience (HR), Finance, Legal, Procurement, IT, Facilities, Communications, Health & Safety and Public Health who will be involved in the insourcing process.
 - A new Programme Manager was recruited in July to oversee the implementation of the insourcing option
 - Work is underway to identify the teams required to deliver the insourcing programme and also to manage the in-house service.
 - The governance structure to oversee the insourcing of the leisure service has been established.
 - Specialist financial consultants, RSM, have undertaken work to identify the initial start-up and one-off costs to insource the leisure services. They have also modelled potential future income and expenditure for the insourced service, modelling options that stress test the income figures in a post-COVID environment. Further detailed financial work will be required following this cabinet decision.
35. As outlined in recommendation two, a draft programme delivery plan has been drawn up to insource and mobilise the service (See appendix 1).
36. The objectives of the programme plan are three-fold:
- To manage an orderly and amicable exit from the existing leisure management contract with EA;
 - To manage a smooth and seamless transfer of services to in-house delivery;
 - To establish the framework for the development of the leisure service to best achieve the council's strategic outcomes.
37. With these three objectives in mind, a draft programme plan has been produced and is provided in appendix 1. This details five phases of work, as summarised in the table below.

Table 1 – Programme Plan Phases

Phase	Task	Timeframe
Phase 1	Programme Set-up and Planning	Sept – Dec 2021
Phase 2a	Mobilisation and Preparation for Transfer	Jan 2022 – May 2023
Phase 2b	Strategic Outcomes Planning	Jan 2022 – May 2023
	Commencement of Insourced Service	Jun 2023
Phase 3	Service Activation and Bedding-In	Jun 2023 – May 2024
Phase 4	Service Development and Enhancement	Jun 2024 – Dec 2025
Phase 5	Service Evaluation	Jan – Mar 2026

38. The key components and related considerations of each phase of the draft Programme Plan are set out in the paragraphs below.

Phase 1 – Programme Set-up and Planning

39. The first phase of work is essentially a planning and resource allocation stage. This will involve the establishment of the team and the continued development of associated programme documents and protocols, including the further development of a detailed programme plan and parallel programme budgets.
40. The mobilisation team will continue to involve officers from across the council, including those representing central support services and those representing services where there is scope for constructive joint-working and strategic planning (e.g. public health).
41. A key aspect of Phase 1 will be the identification of additional resources required in leisure and other services to enable the efficient and effective delivery of Phase 2a - the mobilisation and preparation for transfer.
42. At this stage, the assessment is that the existing leisure team will need additional resources to support the insourcing work. This will be covered within the 'one off' mobilisation budget.
43. Early discussions with internal colleagues indicate that additional dedicated staff resource is likely to be required, including but not limited to, areas such as Employee Experience, ICT Health and Safety, Facilities Management, and possibly finance. Examples of this are:
 - A dedicated HR specialist will be required to support the insourcing process, with key roles including recruitment of the additional senior leisure management team members, management of the TUPE transfer information, assessment of mandatory qualifications of transferring staff, coordination of consultations with trade unions and staff and management of the anticipated harmonisation process for terms and conditions;
 - Need for the HR specialist to be supported by an employment law specialist, as there will need to be extensive legal advice on the employment/TUPE issues
 - A dedicated IT officer will be required to ensure that effective IT systems are in place, with key roles including market testing for potential IT solutions and creation and implementation of a full action plan ready for go live in June 2023
 - The council will need to commission a health and safety expert, for an initial period of two years, to carry out quarterly independent audits and provide ongoing health and safety advice.
44. The detailed programme plan will need to be mindful of parallel council workstreams, including the ongoing work by Corporate FM colleagues in determining the scope of a new facilities management contract.
45. The detailed programme plan will also need to incorporate the development of a comprehensive communications plan to ensure that all relevant

stakeholders (including members, staff, service users and the wider general public) are kept informed of the programme.

Phase 2a – Mobilisation and Preparation for Transfer

46. Phase 2a of the programme plan will deal with the practicalities of managing the orderly expiry of the existing leisure management contract, the exit of EA from Southwark, the mobilisation of the council's in-house leisure service and, ultimately, the smooth transition to in-house delivery as of June 2023.
47. In undertaking this work, officers will need to carefully consider the intended future delivery model and the implications that has for the mobilisation process. At this stage, it is expected that the future delivery model ('Target Operating Model' - the primary purpose of which is to enable the application of a corporate strategy or vision to a business or operation. It is a high level representation of how a company can be best organised to more efficiently and effectively deliver and execute on the organisation's strategy.) will be based primarily on the existing delivery model deployed by EA, with the in-house management team managing the same facilities and delivering the same services. On this basis (and in the context of the TUPE transfer), it is expected that the future management team structures will largely reflect existing EA structures. A preliminary Target Operating Model will be developed by December 2021, and will be refined throughout the mobilisation period and approved in line with recommendation seven.
48. Consideration will need to be given to whether or not other services, including parks and sports pitch bookings, might usefully be incorporated into the insourcing programme.
49. The 17-month period from January 2022 to June 2023 provides sufficient time to plan and implement such a smooth transition, but the process is multi-faceted, complex and likely to involve a range of internal and external partners and stakeholders.
50. A key priority of this piece of work will be to establish and maintain positive and constructive working relationships with EA's leadership and central teams as well as the local Southwark-based management and staff teams. Council officers will need to develop an increasingly close understanding of existing management policies and practices and will be reliant on the cooperation of EA and, in due course, the provision of relevant service information. Appropriate protocols will need to be established accordingly.
51. Phase 2a will also incorporate specific and extensive workstreams dealing with a series of operational matters, including:
 - Asset management
 - To ensure that the current condition and extent of the council's facilities and equipment is fully understood (including the management of dilapidations schedules with EA), and that

- arrangements are implemented to manage the ongoing repair, maintenance and security of facilities and equipment;
- To ensure the effective management of energy and environmental matters, including the smooth transfer of utility supplies and the establishment of policies and procedures to minimise the negative environmental impact of the leisure service;
 - Staffing
 - To understand the scope and expertise of existing in-house teams and the likely transferring workforce so as to identify (and, in due course, address) needs for additional senior management resource;
 - To consult and engage with the existing EA workforce as and where appropriate so as to facilitate a smooth TUPE transfer of staff in June 2023;
 - To engage with the Unions to ensure they are kept inform with progress of the programme and consulted on matters relating to staff;
 - To plan for the implementation of relevant council HR policies and procedures, including, potentially, some harmonisation of terms and conditions;
 - To identify high priority and ongoing staff training needs and to implement a training and development plan to address these;
 - Health and safety
 - To gain an understanding of current arrangements and to ensure that, as of June 2023, all necessary management processes are in place to enable the in-house leisure service to operate safely;
 - ICT
 - To gain an understanding of the scope and functionality of existing ICT systems used in the leisure facilities and to establish a plan for replicating and/or enhancing those ICT systems in the in-house leisure service;
 - To plan and deliver a smooth transfer of relevant service and customer data (in accordance with GDPR) and to establish appropriate data management processes for post-June 2023;
 - Customer engagement
 - To consult and engage, where possible, with existing service users and stakeholders, so as to establish positive early relationships, address queries and concerns relating to the transfer of services and, ultimately, to enable a seamless transition, from the customer perspective, in June 2023;
 - Sales and Marketing
 - To develop and deliver a comprehensive suite of sales and marketing functionality so as to support the commercial performance of the in-house leisure service and enhance awareness of and accessibility to the leisure facilities and services;
 - Operations

- To develop and implement a robust quality management system comprising appropriate policies and procedures for all operational aspects of the leisure services;
 - To ensure that all staff receive appropriate training to enable them to implement policies and procedures accordingly;
 - Financial management
 - To ensure a clear understanding of the financial performance of the leisure facilities and to protect the council's financial position through the final stages of the existing leisure management contract;
 - To establish and implement appropriate policies and procedures to ensure that the financial performance of the in-house leisure service is planned for and managed appropriately.
52. It is anticipated that a key element of this phase of work will be the consideration of how the various central support services and subcontracted services currently delivered by EA and its subcontractors are best delivered in the in-house delivery model. This work will include an assessment of the capacity and capability of the council's existing central support teams to deliver required services for the in-house model. It will also consider the scope for novation of existing subcontractor arrangements and/or the procurement of new subcontractors.

Phase 2b – Strategic Outcomes Planning

53. Whilst Phase 2a will deal with the acute practicalities of the immediate service mobilisation and transition arrangements, there will also be an important piece of work for the council to reflect upon in relation to how and where the in-house leisure service can contribute positively to the delivery of the council's wider strategic outcomes. This will be crucial in manifesting some of the anticipated benefits derived from in-house delivery.
54. Phase 2b is intended to be delivered in parallel with Phase 2a, between January 2022 and May 2023, and will involve a fundamental review of what the council is aiming to achieve with its leisure service so as to inform the future shape and structure of the leisure service. This fundamental review will reflect the specific objectives and priorities established in the Borough Plan and the 'Southwark Stands Together' pledges, whilst also recognising wider local needs and the strategic objectives of relevant partners and stakeholders.
55. In particular, it is expected that the strategic outcomes planning will focus on the scope for the in-house leisure service to help to address health and other inequalities in Southwark.
56. Sport England has developed specific guidance prescribing a recommended process for strategic outcomes planning. This recommended process comprises four stages:
- Stage 1: Outcomes

- The identification of shared local strategic outcomes, taking into account cross-sector local needs and priorities and identifying how sport and physical activity can contribute to those outcomes;
 - Stage 2: Insight
 - The gaining of a clear understanding of the current situation in Southwark in respect of sport and physical activity, including identifying current inequalities, barriers to participation and opportunities for improved outcomes;
 - Stage 3: Interventions
 - The identification of how the strategic outcomes can best be delivered in a sustainable way, including consideration of the shape and scope of facilities and services and the benefits of alternative delivery models;
 - This is likely to incorporate consideration of how the proposed new leisure centre at Canada Water can contribute to the delivery of the Council's strategic outcomes;
 - Stage 4: Commitment
 - The securing of commitment from the council and other relevant stakeholders, to the delivery of the outcomes.
57. The completion of the strategic outcomes planning process through Phase 2b will be crucial in influencing, where relevant, the parallel service mobilisation work and the subsequent bedding-in and service development phases.
58. It is important to note that this work will need to be done in parallel with other elements of the programme but cannot hinder the focus on an effective transition to an in-house service where the focus must be on delivering a like-for-like service.

Phase 3 – Service Activation and Bedding-In

59. As of June 2023, the council's in-house team will assume full responsibility for the day-to-day and strategic delivery of leisure services.
60. Whilst Phases 2a and 2b of the programme plan are intended to enable a smooth transition to in-house management and a commitment to future strategic outcomes delivery respectively, the transfer to an in-house leisure service will be a complex process and a significant change for the council. It is therefore anticipated that the new in-house service will need some time to find its feet and establish operational and financial stability.
61. Accordingly, the programme plan allows for a 12-month Phase 3 – service activation and bedding-in.
62. A significant element of this phase of work will be the bedding-in of the new in-house management and staffing teams, comprising both newly-recruited and TUPE-transferred employees. The future success of the in-house leisure service is likely to rely on the development of a competent and confident

workforce with a clear strategic purpose and robust management systems. The first 12 months of in-house delivery will be a key part of this success.

63. Further, this phase of the programme plan will be needed to enable the implementation and monitoring of consistent operational management systems to ensure that the intended future service developments are built on a solid operational foundation.

Phase 4 – Service Development and Enhancement

64. Phase 4 of the programme plan commences from the start of the second year of the in-house leisure operation and marks the point at which the council should be in a position to advance the interventions and improvements identified in the strategic outcomes planning process.
65. These interventions and improvements will be determined by the strategic outcomes planning process, but might typically include facility investments, new or extended services, partnership initiatives with other stakeholders and concerted and innovative joint working with other council services.

Phase 5 – Service Evaluation

66. The transfer of the leisure services to the in-house delivery model is a significant council decision and the council will be keen to ensure that performance of the in-house service is closely monitored against the positive outcomes identified in this report.
67. The programme plan includes a fifth phase of work, towards the end of the third year of in-house operation, specifically designed to evaluate the effectiveness of the in-house model. The intention of this process would be to recognise successes and identify opportunities for improved delivery and, ultimately, improved outcomes.

THE BENEFITS OF INSOURCING THE LEISURE SERVICE

68. The council anticipates a range of benefits from transferring the leisure service to in-house delivery.

Full control

69. Insourcing will ensure that the council has direct control over all aspects of the management and operation of its leisure facilities and services.
70. An insourced leisure service will enable the council to redesign and evolve its service to better serve residents and to respond to changing local and national policies and developing council priorities.
71. The council will have the ability to manage facilities and services that are not necessarily commercially attractive, but which may maximise opportunities

for residents across the borough and hence help to address inequalities across the borough.

Integrated services

72. Insourcing provides the opportunity for the leisure service to work closely with other key council departments to deliver strategic outcomes in a more innovative and joined up way.
73. Through partnership working across the council, services can be tailored to better meet the needs of Southwark's diverse neighbourhoods, resulting in better outcomes for residents.

In-house expertise

74. Insourcing will mean that the council is likely to develop new leisure professional expertise and additional technical capabilities which will strengthen the council as a whole and potentially provide opportunities for service improvements in other areas.

Local employment and workforce conditions

75. An in-house leisure service will be specifically focussed on attracting and retaining local people as employees and will provide local people with additional training and development opportunities.
76. The terms and conditions of existing leisure facility staff are likely to improve (particularly in respect of pension provision) and this could have a positive impact on staff morale and retention.

THE RISKS OF INSOURCING THE LEISURE SERVICE

77. The process of insourcing the Council's leisure service is a multi-faceted and complex one. There are, accordingly, a range of risks which may arise through the process and will need to be monitored and managed in due course. Table 2 below identifies a number of potential risks, highlights the potential likelihood and impact in each case and sets out potential mitigation/control measures for each risk.

Risk	Notes	Likelihood	Potential impact	Mitigation/Control measures	Revised impact
Impact of COVID-19	Uncertainty around medium and longer-term impact of COVID pandemic on customer behaviour, participation and income levels and operational processes.	Medium	High	- close monitoring of EA business recovery in Southwark sites; - monitoring of wider sector recovery and mitigating actions; - incorporation of sensitivity analysis in detailed mobilisation	Medium

Risk	Notes	Likelihood	Potential impact	Mitigation/Control measures	Revised impact
				and operational budgets, including identification of cost mitigation measures;	
Financial performance	Uncertainty of future financial performance and exposure of council to all fluctuations in income and expenditure.	Medium	High	<ul style="list-style-type: none"> - development of detailed mobilisation and operational budgets, including identification of cost mitigation measures; - implementation of budget management and performance monitoring procedures to ensure variances to expected performance are identified and remedial actions undertaken promptly; - collaboration with other in-house leisure service teams to explore likely challenges and opportunities 	Medium
Operational performance	Scope for poor or inconsistent operational performance to impact customer satisfaction and cause reputational damage to the council.	Medium	Medium	<ul style="list-style-type: none"> - recruitment, establishment and training of appropriate leisure professionals to oversee the delivery of the service; - establishment of robust quality management systems to maximise consistency of delivery; - implementation of appropriate customer engagement systems to gauge perceptions, pre-empt problems and monitor satisfaction 	<p>Short term - medium</p> <p>Long term - low</p>

Risk	Notes	Likelihood	Potential impact	Mitigation/Control measures	Revised impact
Impact on central support services	<p>Uncertainty re scope and level of additional support likely to be required from central support services (including ICT, finance, HR, property, marketing, legal, procurement etc.).</p> <p>Uncertainty re capacity of existing teams to provide support required.</p>	High	Medium	<ul style="list-style-type: none"> - early engagement with central support teams to explore and identify challenges and opportunities; - collaboration with other in-house leisure service teams to explore likely challenges and opportunities - early incorporation of specific workstreams within programme mobilisation plan to draw up and implement appropriate action plans; - establishment of programme budget identifying relevant allowances for necessary additional resources 	Medium
Staffing – senior leisure management	Lack of relevant senior leisure management expertise in existing in-house team and/or transferring from EA	Medium	Medium	<ul style="list-style-type: none"> - early confirmation of intended management structure and identification of gaps and challenges; - implementation of appropriate recruitment and/or retention strategies to have intended management structure in place as part of programme mobilisation plan; - early proactive engagement with EA, including implementation of contractual provisions in respect of changes to staff structures 	Medium

Risk	Notes	Likelihood	Potential impact	Mitigation/Control measures	Revised impact
Staffing – retention of staff	Scope for loss of staff to other EA contracts and elsewhere prior to transfer date. Scope for disconnect with staff and hence loss of staff morale during extended mobilisation period.	High	Medium	<ul style="list-style-type: none"> - early proactive engagement with EA, including implementation of contractual provisions in respect of changes to staff structures; - implementation of proactive communication and consultation plan with existing workforce – pre- and post-transfer; - robust and comprehensive approach to management of HR elements of mobilisation and early operational phases, including allowance for appropriate additional HR resource; - development of appropriate learning and development plan for transferring and new staff 	Medium
Early contract exit	Potential for EA to fail or pursue early exit from the existing leisure management contract.	Low	High	<ul style="list-style-type: none"> - confirmation of funding agreement between EA and the council, through to June 2023; - generally positive relationship between EA and the council; - specific workstream in programme plan to engage positively with EA and actively manage relationship throughout residual contract term; - development of emergency contingency plans for 	Low

Risk	Notes	Likelihood	Potential impact	Mitigation/Control measures	Revised impact
				implementation in case of early EA exit	
Programme delays	Scope for elements of the mobilisation/transition process to be delayed with potential financial and service impact.	Medium	High	- establishment of dedicated programme team and development of detailed programme plan, with appropriate programme management resources and protocols	Medium
Failure to achieve benefits of insourcing	Potential for practicalities of service mobilisation/transition to divert focus from delivery of insourcing benefits and ultimate strategic outcomes	Medium	High	- establishment of dedicated cross-functional programme team and development of detailed project plan; - implementation of strategic outcomes planning process, as early part of programme plan, enabling the clarification of strategic priorities and the contribution that the leisure service can make to strategic outcomes; - incorporation of a service activation / bedding-in phase to enable the establishment of financial and operational stability.	Medium

FINANCIAL IMPLICATIONS OF INSOURCING THE LEISURE SERVICE

Operating the Service

78. The council-run service will operate with the existing annual net revenue budget of £2.6m. The gross budget will benefit from income generated across the sites. The level of income is currently hard to predict, due to the impact of Covid on the leisure industry. Following transfer, it may be necessary to review and rebalance service provision, to not only ensure that

services provided support council priorities, but also to ensure services are delivered within budget.

79. Historically the council has invested significant sums of its capital for the development and enhancement of existing leisure facilities and the new leisure centre in Elephant and Castle. The investment continues with the building of another new leisure centre as part of the Canada Water Regeneration scheme.
80. The council will need to continue to invest capital in its leisure facilities in order to maintain and improve upon income levels. In addition to the facility upkeep and lifecycle investment, with insourced services the council will be required to invest capital in product development and innovation to ensure the facilities remain relevant in an increasingly competitive market.
81. As an indication, leisure contractors usually invest 3 - 5% of turnover in product development and innovation, this is becoming increasingly important in the area of IT and digital markets.

Mobilisation

82. The mobilisation costs of insourcing the leisure service is estimated to be £2.4m A proportion of this resource will need to be released immediately to ensure the council has the necessary staff in place to carry out the programme of works required to bring the service in house as smoothly as possible.
83. As outlined in recommendation seven, this report seeks for authority to be delegated to the Strategic Director of Environment and Leisure to begin the immediate recruitment of the mobilisation team, if the Gateway 1 report is approved.
84. A specialist financial consultancy has supported us to identify this cost which is broken down below in table 3.
85. Changing consumer habits will continue to be reviewed as we continue to move through the mobilisation period; this may result in a review of services as we come out of the pandemic.

Table 3 – Estimated mobilisation costs

Function	Estimated cost (£000)
Mobilisation team	£270,000
External leisure advice	£75,000
Strategic Outcomes Planning Project	£70,000
ICT and digital	£1,275,000
Legal advice	£75,000
HR advice and project work, payroll configuration	£110,000

Function	Estimated cost (£000)
Procurement advice	£75,000
Training and uniforms	£70,000
Comms, marketing and branding	£130,000
Facility management and asset due diligence	£100,000
Contingency	£200,000
TOTAL	£2,450,000

Key /Non Key decisions

86. This is a key decision.

Policy Implications

87. The management of the leisure centres and delivery of excellent leisure services is directly linked to the council's commitment to a 'Fairer future for all', in particular:

The council want to break down barriers that prevent people from thriving in Southwark, so that whatever your background you can live a healthy life.

88. The refreshed Borough Plan 2020 - 22 sets out a series of commitments across eight themes:

- COVID-19 response
- Southwark Together
- A green and inclusive economy
- Climate Emergency
- Tackling health inequalities
- Homes for all
- A great start in life
- Thriving neighbourhoods

89. Leisure centre provision contributes to the delivery of these commitments. In particular, the Borough Plan states, 'Invest in our leisure centres and ensure our residents can continue to access high quality leisure services.'

90. In addition, leisure centre provision is an important part of the Active Southwark strategy which was agreed by the cabinet in April 2019. The themes of the strategy are:

- Active People – understanding the circumstances of individuals to better shape our services and offer
- Active Places – shaping our environment and facilities so that they encourage more people to be more active

- Active Communities – maximising resources and building partnerships with our communities that promote physical activity.

Next Stages of Programme Plan (Key Decisions)

Activity	Complete by:
Enter Gateway 1 decision on the Forward Plan	09/07/2021
DCRB Review Gateway 1	04/08/2021
CCRB Review Gateway 1	12/08/2021
Cabinet Member Briefing	18/08/2021
Notification of forthcoming decision - Cabinet	06/09/2021
Cabinet consideration of Gateway 1: Procurement strategy report	14/09/2021
Scrutiny Call-in period and notification of implementation of Gateway 1 decision	29/09/2021
Advertise specialist roles required to support the insourcing	04/10/2021
Specialist roles in post	01/12/2021
Implementation of programme plan (see separate plan)	
Leisure service transfer commences	20/06/2023
Service Activation and Bedding-In	Jun 2023 – May 2024
Service Development and Enhancement	Jun 2024 – Dec 2025
Service Evaluation	Jan – Mar 2026

TUPE/Pensions implications

91. The leisure service staff currently employed by EA would transfer into the council's employment on their existing pay and terms and conditions. The intention would be to harmonise the leisure service staff into relevant council pay and terms and conditions as soon as reasonably practicable after the point of insourcing.
92. Staff with contracts over three months will automatically be added to the Local Government Pension Scheme, although individuals will have the option to opt out. Casual staff will have the options to join the Local Government Pension Scheme or the NEST pension scheme (i.e. the workplace pension scheme created by government to support the automatic enrolment provisions included within the Pensions Act 2008).

Development of the tender documentation

93. N/A

Advertising the contract

94. N/A

Evaluation

95. N/A

Plans for the monitoring and management of the insourcing of the service

96. The reporting and governance of the insourcing programme will be carried out within three groups plus separate working groups;

- The Sponsor Group
- The Programme Board
- The Project Delivery Team
- Working groups (HR, Finance, IT, Public Health, Southwark Stands Together, Adult Social Care, Procurement, Marketing & Comms, Health & Safety, Facilities Management, Legal and Environmental).

97. A suite of core documents have been prepared to track the progress of the works and regulate performance reporting. These documents will provide an auditable track record of the programme. Any emergency issues will be reported to the Sponsor Group as soon as possible to ensure immediate and effective action is taken.

Community, equalities (including socio-economic) and health impacts

Community impact statement

98. As noted in paragraphs 53 – 58, the council will be undertaking strategic outcomes planning which will reflect upon how and where the in-house leisure service can contribute positively to the delivery of the council's wider strategic outcomes. This fundamental review will reflect the specific objectives and priorities established in the Borough Plan and the 'Southwark Stands Together' pledges, whilst also recognising wider local needs and the strategic objectives of relevant partners and stakeholders. In particular, it is expected that the strategic outcomes planning will focus on the scope for the in-house leisure service to help to address health and other inequalities in Southwark.

99. Potential areas of community impact would be in relation to any changes implemented based on the result of the strategic outcomes planning work. To minimise any impact on the community and residents with protected characteristics, an equalities impact assessment will be carried out if any changes to the service are proposed.

100. That said, It should be noted that at the point of transfer there will be limited impact on the community as the council plans to retain its existing leisure offer for at least one year to ensure a successful transition/ bedding in period.
101. The Equalities Impact Assessment will be updated at key milestone intervals throughout the mobilisation period. The most up to date version is available at appendix 2.

Equalities (including socio-economic) impact statement

102. 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 well-being of the local area can be secured. The details of how social value will be incorporated within the insourcing of the leisure services are set out in the following paragraphs.
103. The insourcing of the leisure service will result in benefits for the local economy. One of the council's key objectives of insourcing the service is to increase the numbers of locally employed people who will benefit from the council's favourable terms and conditions.
104. The council is an officially accredited London Living Wage (LLW) Employer and is committed to ensuring that all staff, contractors and subcontractors engaged by the council to provide works or services within Southwark pay their staff at a minimum rate equivalent to the LLW rate. EA are currently also delivering on this commitment so this would continue and the council will pay London Living Wage.
105. The council does not utilise harmful zero hour contracts and is committed to employing full and part time staff as opposed to casual staff. The council know that for industry relevant reasons EA do use zero hours contracts but they aim to keep this to a minimum. The council would review this position with the aim to reducing the number of zero hours contracts further.
106. The council will continue to appoint apprentices as part of an insourced leisure service.

Health impact statement

107. The long term objectives of insourcing the leisure services outlined in paragraph 24 are directly linked to reducing health inequalities and improving the opportunities for residents to lead healthier lives through the development of a more resident focused service.
108. The process by which the leisure services are insourced does not impact on the current opportunities that residents have as the aim, in the first instance, is to provide the same service that residents currently receive.

109. Throughout the process of insourcing the leisure services, the Project Delivery Team will regularly consult with key health stakeholders such as the Adult and Social Care Team and the Public Health Team to ensure that the long term vision for the service remains closely aligned to their current policies and strategies for reducing health inequalities and providing equitable access to services for all residents.
110. In addition to this the Strategic Outcomes Planning exercise in phase 2 of the project delivery phases will also assist the council on focusing the long term delivery of the service where is it needed the most in order to meet the objectives set out in paragraph 24.

Climate change implications

111. The council's leisure providers have always been required to provide acceptable and appropriate environmental policies, required to deliver on specific performance targets for increasing recycling, reducing waste and energy consumption and expected to implement energy management plans aimed at reducing carbon emissions in line with the council's own targets.
112. With the council declaring a Climate Emergency it is expected that the requirements of an insourced service will be no different. The service will still be required to set the example of good environmental impact management and deliver on the key objectives from the Climate Emergency Action plan approved by cabinet in July 2021.

Staffing/procurement implications

113. Staff in the current leisure contract will be protected under the Transfer of Undertakings (Protection of Employment) legislation (TUPE). There will be amendments to the final number of staff until the TUPE transfer takes place. The impact of these changes on HR and payroll will be managed as part of the HR working group.
114. Ahead of the insourcing of the leisure service, there will be elements that the council will need to procure e.g. gym equipment. This will be developed as part of the procurement working group and the relevant resource required will be addressed at the time as the method of providing these elements of the service is identified.

Financial implications

115. Specialist financial consultants were commissioned to evaluate the initial start-up and one-off mobilisation costs to insource the leisure services and also the on-going costs of providing an in-house leisure service provision.
116. This process identified an initial sum of £2.4m for the start-up and mobilisation cost and these are reflected in Table 3 in paragraph 85. These costs will be incorporated within the council's 2022/23 budget setting process

with the immediate costs being incurred in 2021/22 to be reflected in the departmental revenue budget monitoring reports to cabinet.

117. The specialist financial consultants also carried out a financial modelling exercise to assess the projected expenditure and the potential future income from an in-house leisure service in a post COVID environment. Based on the assumptions used in the financial modelling for both the expenditure and income, the analysis indicate that the net cost of operating an in-house leisure services can be contained within the current £2.6m base budget available for the service.
118. However, it should be noted that it is very difficult to predict the potential future income in a post COVID environment and any changes in the assumptions currently used in the financial modelling will impact accordingly and will require careful monitoring to ensure the costs can be contained within available budgetary resources.
119. The financial modelling exercise did not include the financial impact of VAT and NNDR under an in-house provision and this will need to be explored further near the time of insourcing the service once the in-house leisure service operating model has been confirmed.

Investment implications

120. Please see concurrent from the Director of Finance and Governance.

Legal implications

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

Consultation

122. Staff - Formal engagement and consultation will take place with existing Everyone Active staff as part of the TUPE process; this has been built into the programme plan. Consultation will also take place with the relevant Trade Unions as part of this process to assist with robust check and challenge of the programme management process. The aim is to make the transition from external contract to council employee as smooth and informed as possible.
123. Internal stakeholders – relevant teams and departments such as public health, adult and social care will be part of the governance structure of the programme to insource the services. As such they will have representatives on the steering group and the Programme Management Team will have regular work shop meetings to explore the in-sourcing route and future direction of the service in more detail.
124. External stakeholders and residents – Extensive consultation with these groups will take place as part of the Strategic Outcome Planning outlined in paragraphs 53 to 58.

Other implications or issues

125. N/A

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Finance and Governance (EL21/054)

126. This report is requesting cabinet to approve a set of recommendations (paragraphs 1-7) to insource the leisure services.
127. The strategic director of finance and governance notes the financial implications that the work carried out by the specialist financial advisors indicate the start-up and mobilisation costs initially estimated to be approximately £2.4m.. The strategic director of finance and governance has been requested to make these resources available from earmarked reserves.
128. The strategic director of finance and governance also notes that in the absence of Target Operating Model (ToM), it is difficult to model at this stage the costs of the new service. In addition it is not possible in the current environment to establish accurately the income likely to be generated in a post Covid world. Financial advisors have reviewed the cost and income framework of the service before Covid intervened. This will help inform financial modelling of the ToM. Once that is complete, in particular, and as part of that model, the council will need detailed view of the workforce etc., support costs, equipment costs and building management standards.
129. Overall, at this time, this is proposed that through the ToM being developed that costs will be contained within an envelope of the existing Leisure Services budget provision (i.e. £2.6m per annum) plus retained income, once the service is insourced.
130. The strategic director of finance and governance acknowledges the risk in predicting the future potential income in a post COVID environment for the service and notes that this will require careful and robust monitoring to ensure the costs can be contained within available budgetary resources.
131. It is also noted that the financial modelling exercise did not include the financial impact of VAT and NNDR under an in-house provision and this will need to be explored further near the time of insourcing once the in-house leisure service operating model has been confirmed.

Head of Procurement

132. The report seeks the approval of Cabinet to bring the leisure service back in-house following the recommendation of the GW0 report in March 2021. It also seeks Cabinet's approval of the immediate resource required to bring the service in-house from June 2023. A detailed delivery plan set out at Appendix 1.

133. The report details and asks for the approval of the mobilisation costs necessary to insource the leisure service, estimated to be £2.4m as detailed in table 3, and asks the Strategic Director for Finance and Governance to make the financial provision available for this.
134. The report notes that a progress report will be brought back to cabinet in spring 2022 as well as confirming work that has been completed so far on the preferred option to insource the leisure service when the current contract with Sport and Leisure Management Limited (operating as Everyone Active) ends in June 2023.
135. The report confirms the market considerations in paragraphs 26-32, with the detailed phasing of the plan to bring the service in house from June 2023 in paragraphs 33-67 with risks set out in the table under paragraph 77.
136. The Impact Statement for Communities, Equalities and Health are set out in paragraphs 98-110 and the Climate change implications in paragraphs 111-112.

Director of Law and Governance

137. This report seeks the approval of the Cabinet to the plan to bring the leisure service back in house when the existing contract with EA expires in June 2023, approval of the associated mobilisation costs and noting/delegation of certain elements in respect of that insourcing.
138. Contract Standing Order 3.3 requires that where it is proposed to bring a service which was previously externalised back in-house, that approval of that procurement strategy is made through a gateway 1 report, after consideration of that report by DCRB and CCRB.
139. The report notes at paragraphs 113 and 91 that the leisure service staff currently employed by EA are protected and will automatically transfer under TUPE provisions into the council's employment on their existing pay and terms and conditions and that these will be harmonised with Council terms and conditions at the earliest opportunity.
140. The report further notes at paragraph 122 that the necessary formal engagement and consultation with the affected staff and their union representatives will be built into the programme plan.
141. There are no specific legal implications arising from the recommendations in this report. However in considering any recommendations the Cabinet should have regard to the council's obligations to carry out its duties in accordance with the principles of best value - to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

142. The Cabinet's attention is drawn to the Public Sector Equality duty (PSED General Duty) under the Equality Act 2010, which requires public bodies to have regard, when making decisions, to the need to eliminate discrimination, advance equality of opportunity and foster good relations between persons who share a relevant protected characteristic and those who do not share it. In addition, the Council has also chosen to include socio-economic status. The Cabinet is specifically referred to the community impact statement at paragraphs 98-101, and specifically the EIA at appendix 2 setting out the consideration that has been given to equalities issues which should be considered when approving the recommendations in this report. The PSED General duty is a continuing duty and as noted in paragraph 101 the EIA will be updated during the mobilisation period. Reference is made in the report to consultation that is intended to take place, the outcome of which will be reported to Cabinet in the progress report which will be brought back to Cabinet in Spring 2022.
143. The Director of Law and Governance and her staff will continue to provide advice to officers on any legal and governance issues arising during the programme plan phases noted in table 1.

BACKGROUND DOCUMENTS

Background Documents	Held At	Contact
Gateway 0 - Appraisal of management options for leisure centres	Leisure Team, 160 Tooley Street	Tara Quinn 07940788704
Link (please copy and paste into browser): https://moderngov.southwark.gov.uk/documents/s94286/Report%20Gateway%20-%20Appraisal%20of%20management%20options%20for%20leisure%20centres.pdf		

APPENDICES

No	Title
Appendix 1	Project Plan
Appendix 2	Equalities Impact Assessment

AUDIT TRAIL

Cabinet Member	Councillor Alice Macdonald, Equalities, Neighbourhoods and Leisure	
Lead Officer	Toni Ainge, Director of Leisure	
Report Author	Tara Quinn, Head of Parks and Leisure	
Version	Final	
Dated	2 September 2021	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Finance and Governance	Yes	Yes
Head of Procurement	Yes	Yes
Director of Law and Governance	Yes	Yes
Contract Review Boards		
Departmental Contract Review Board	Yes	Yes
Corporate Contract Review Board	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team		2 September 2021

LBS Leisure Insourcing – Phased Project Plan

*GANT months edited for purpose of appendices document

*Sep-21 → *June-23

PHASE 1 (Project Set-up and Planning)	Project Set-up and Planning			
PROJECT MANAGEMENT				
Confirm Project Management Team (PMT) and instigate PMT meetings/protocols				
Develop detailed Project Plan (including detailed mobilisation plan)				
Agree budget for implementation of detailed Project Plan				
Recruit required additional staff and other resources				
Allocate responsibilities and brief team members				
PHASE 2a (Mobilisation and Preparation for Transfer)				
ENGAGEMENT WITH EVERYONE ACTIVE				
Engagement with EA Directors / leadership team				
Establishment of joint Council/EA working team				
Establishment of agreed communication, information sharing and site access protocols				
ASSET MANAGEMENT				
Gather detailed plans for all facilities				
Update condition surveys for all facilities				
Review all existing repair and maintenance arrangements (including lifecycle maintenance)				
Gather available asset information (including service records and testing certificates)				
Consider options for repair and maintenance arrangements under in-house management				
Confirm budget, procurement routes and potential lead-in times for repair and maintenance				
Establish action plan for chosen repair and maintenance arrangements				

Implement plan for selected repair and maintenance arrangements				
Review all existing security arrangements (including fire alarms, CCTV, intruder alarms and keyholding)				
Consider relevant security arrangements for Council management and establish implementation plan				
Implement action plan				
STAFFING				
Update staff structure details for contract and all facilities				
Gather available HR information and increase monitoring levels				
Identify recruitment requirements for senior leisure management team				
Draw up job descriptions, person specifications and recruitment plans				
Implement recruitment plans for senior leisure management team				
Consider short term management support arrangements (until recruitment complete)				
Implement short-term management support arrangements (until recruitment complete)				
Gather detailed information of staff entitled to TUPE transfer				
Review information and work with existing contractor to resolve issues arising				
Review evidence of mandatory qualifications for all relevant staff				
Draw up action plan to manage any missing and/or expired qualifications				
Implement qualifications action plan (including delivery of training where required)				
Initial consultation with unions and issue of measures letter				
Consultation with transferring staff				
Undertake comparison of existing contractor and Council key terms and conditions				
Consider potential terms and conditions harmonisation requirements and establish action plan				
Gather and review existing contractor HR policies and procedures				
Confirm HR policies and procedures required under Council management				
Produce initial drafts of HR policies and procedures under Council management				
Finalise HR policies and procedures under Council management				
Deliver priority HR policy training to all staff				
Review current contractor uniform arrangements and consider Council's likely requirements				
Identify budget, procurement route and potential lead-in time for uniform				
Place pre-orders (as and if required)				
Confirm relevant uniform orders				

Delivery and distribution of uniform				
Create prioritised training matrix and training plan for all staff designations (including Council induction)				
Undertake high priority pre-transfer staff training				
Review existing staff rotas				
Draft staff rotas for initial period of Council management				
Confirm staff rotas for initial period of Council management				
Identify staff recruitment needs and implement recruitment plan				
HEALTH AND SAFETY MANAGEMENT				
Gather and review existing contractor health and safety policies and procedures				
Confirm H&S policies and procedures required under Council management				
Produce initial drafts of H&S policies and procedures under Council management				
Finalise H&S policies and procedures under Council management				
Deliver priority H&S policy training to all staff				
Gather evidence of existing statutory inspections				
Consider relevant inspection arrangements for Council management and establish implementation plan				
Implement action plan				
Review all existing contractor risk assessments				
Confirm risk assessments required under Council management				
Draft all required risk assessments				
Implement required training and management actions identified in risk assessments				
ICT				
Review contract terms re data and existing contractor data policies				
Negotiate appropriate changes (as and if necessary)				
Review all existing contractor ICT systems supporting leisure services				
Consider potential ICT system requirements under Council management				
Identify budget, procurement route and potential lead-in time for ICT systems				
Undertake necessary preparatory work and/or liaison with the existing contractor				
Draw up action plan for implementation of Council ICT systems				
Implement action plan				
Go live of ICT systems				

Update ICT hardware and software inventories for all facilities				
Identify potential shortfall of ICT hardware and software if existing contractor-owned equipment is removed				
Identify budget, procurement route and potential lead-in time for shortfall ICT hardware and software				
Place pre-orders (as and if required)				
Confirm relevant equipment orders				
Delivery and installation of relevant equipment				
CUSTOMER ENGAGEMENT				
Gather details of existing user groups, key users and relevant stakeholders				
Draw up customer communication plan for pre-service commencement				
Implement customer communication plan				
Review existing customer engagement and customer relationship processes				
Draw up implementation plan for required customer engagement and customer relationship processes				
Implement action plan				
SALES AND MARKETING				
Gather information on all existing membership and pricing structures				
Gather information on membership and usage terms and conditions				
Consider any alternative membership and pricing structures under Council management				
Establish action plan for implementation of Council membership and pricing structures				
Implement action plan				
Consider intended approach to branding under Council management				
Establish action plan for implementation of Council branding				
Undertake necessary preparatory work				
Implement action plan				
Install Council branding across the facilities				
Review existing marketing collateral and consider requirements under Council management				
Produce marketing collateral				
Install marketing collateral across the facilities				
Review existing social media arrangements				
Consider social media requirements under Council management and establish action plan				
Undertake necessary preparatory work				

Implement action plan				
Go live on new social media accounts				
Review existing website arrangements				
Consider website requirements under Council management and establish action plan				
Undertake necessary preparatory work				
Implement action plan				
Go live on new website(s)				
OPERATIONS				
Gather and review existing contractor NOPs and EAPs				
Gather and review existing contractor operational procedures				
Confirm operational procedures required under Council management				
Produce initial drafts of operational procedures under Council management				
Finalise operational procedures under Council management				
Deliver priority operational procedure training to all staff				
Implement operational policies and procedures				
Confirm all existing licence arrangements at the facilities				
Consider licence requirements under Council management and establish action plan				
Implement action plan				
Gather details of all existing suppliers at the facilities				
Consider likely requirements under Council management and establish action plan				
Identify budget, procurement route and potential lead-in time for required suppliers				
Undertake necessary preparatory arrangements				
Implement action plan				
FINANCIAL MANAGEMENT				
Gather available financial information and increase monitoring levels				
Establish ongoing monitoring of balance of debt between existing contractor and Council				
Commence financial negotiation with existing contractor				
Complete financial negotiation with existing contractor				
Create draft budget for implementation plan				
Monitor management of implementation plan budget				

Create budget projections for post-handover period				
Brief relevant senior managers of leisure service				
Establish financial performance monitoring systems				
Implement financial performance monitoring systems				
Review existing sales and purchase ledger arrangements				
Consider and confirm sales and purchase ledger arrangements under Council management				
Prepare sales and purchase ledger arrangements				
Implement sales and purchase ledger arrangements				
Gather information regarding all existing direct debit collection arrangements				
Undertake any necessary early discussions with existing contractor				
Agree terms of bulk DD transfer with existing contractor				
Implement bulk DD transfer				
Establish cash collection and cash handling arrangements (as and if necessary) for the facilities				
Implement cash collection and cash handling arrangements				
Consider existing payroll arrangements and likely requirements under Council management				
Draw up action plan for establishment of Council payroll arrangements				
Implement payroll action plan				
Review all existing insurance arrangements				
Determine likely needs under Council management and draw up implementation plan				
Implement insurance action plan				
Ensure relevant insurance policies on display in the facilities				
Gather and review existing contractor finance policies and procedures				
Confirm finance policies and procedures required under Council management				
Produce initial drafts of finance policies and procedures under Council management				
Finalise finance policies and procedures under Council management				
Deliver priority finance policy training to all staff				
Implement finance policies and procedures				
PHASE 2b (Strategic Outcomes Planning)				
SOPG Step 1: Outcomes				
Review all existing strategy and policy documents (Council and other key stakeholders)				

Initial consultation/workshop with key Council personnel				
Gather and review existing research re community needs and priorities, including consultation feedback				
Development of matrix of local strategic outcomes vs SPA contributions				
Mapping of key SPA contributions to each local strategic outcome				
Workshop with client team				
SOPG Step 2: Insight				
Review existing research and information				
Consider additional research/consultation requirements and establish action plan				
Implement action plan				
Summarise gathered information and confirm current status / needs analysis				
Develop long-list of priority areas				
Workshop with client team				
SOPG Step 3: Interventions				
Analysis of site options				
Latent demand modelling				
FPM modelling (if required)				
Finalisation of facility mix options				
Design work				
Capital cost estimates				
Business planning				
Financial modelling				
Development of business cases				
Analysis of service development options				
Options analysis				
Development of recommendations for way forward				
SOPG Step 3: Commitment				
Presentation of recommendations to senior officers and members				
Confirmation of agreed strategic outcomes and next steps				
PHASE 3 (Service Activation and Bedding-In)				

ASSET MANAGEMENT				
Implement repair and maintenance arrangements				
Implement security arrangements				
Undertake mid-year asset management audit/review				
STAFFING				
Implement terms and conditions harmonisation action plan				
Implement HR policies and procedures				
Undertake high priority post-transfer staff training				
Undertake additional post-transfer training				
Implement concerted staff communications and engagement plan				
HEALTH AND SAFETY MANAGEMENT				
Implement H&S policies and procedures				
Implement required training and management actions identified in risk assessments				
Prepare and implement review of risk assessments				
Undertake mid-year health and safety management audit/review				
ICT				
Implement all relevant ICT systems				
Implement mid-year ICT review				
CUSTOMER ENGAGEMENT				
Implement customer engagement and relations policies, procedures and systems				
Implement mid-year customer engagement review				
SALES AND MARKETING				
Implement all sales and marketing action policies, procedures and systems				
Implement mid-year sales and marketing review				
OPERATIONS				
Implement all operational policies, procedures and systems				
Implement mid-year sales and marketing review				
FINANCIAL MANAGEMENT				
Implement all financial management policies, procedures and systems				
Implement mid-year financial management review				

PHASE 4 (Service Development and Enhancement)				
SERVICE DEVELOPMENT AND ENHANCEMENT				
Review findings of SOPG work (Phase 2b)				
Review other opportunities for service development and enhancement				
Draw up prioritised action plan for service development and enhancement				
Implement action plan				
PHASE 5 (Service Evaluation)				
SERVICE EVALUATION				
Undertake formal evaluation of inhouse leisure service				
Present findings to senior members/officers				



GW1 Procurement strategy approval – Insourcing the leisure service - Equality and health analysis

Section 1: Equality analysis details

Proposed policy/decision/business plan to which this equality analysis relates	The insourcing of the council's leisure service from June 2023
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Equality analysis author	Catherine Snell				
Strategic Director:	Caroline Bruce				
Department	Environment & Leisure	Division	Leisure		
Period analysis undertaken	August 2021 - ongoing				
Date of review (if applicable)	Quarterly				
Sign-off		Position		Date	

Section 2: Brief description of policy/decision/business plan

1.1 Brief description of policy/decision/business plan

Background

On the 21 June 2016, the council entered into a 7 year contract (with an option to extend for a period or periods of up to a further 7 years at the council's discretion) with Sport & Leisure Management Limited (SLM) for the management of the council's 8 leisure facilities and for the operation of the sports booking service. SLM operate under the name of Everyone Active (SLM). Please see below leisure facilities operated by SLM:

- Camberwell Leisure Centre
- The Castle Centre
- Dulwich Leisure Centre
- Geraldine Mary Harmsworth Sports Facility
- Peckham Pulse Leisure Centre
- Seven Islands Leisure Centre
- Surrey Docks Fitness & Watersports Centre
- Southwark Athletics Centre

Southwark borough residents are able to use the swim and gym facilities free in six of the borough's leisure centres, operated by Everyone Active in partnership with Southwark Council. Free swim and gym is available at the following centres:

- The Castle Centre
- Camberwell Leisure Centre
- Dulwich Leisure Centre
- Peckham Pulse
- Seven Islands Leisure Centre
- Surrey Docks Watersports Centre (Gym only)

The offer is available:

- Anytime on Friday (subject to programmes and timetables)
- Saturday and Sunday afternoons from 2.00pm to close (subject to programmes and timetables)
- Over 60s can take part in any Silver sessions free
- Disabled residents will be able to use all leisure centres for free seven days a week

The council's existing contract with Everyone Active expires in June 2023. In early 2021, officers, with the support of a specialist external sport and leisure consultancy, carried out a comprehensive management options appraisal to aid the council in its decision on the future delivery of the leisure service from June 2023 onwards.

Following this options appraisal a paper was brought to cabinet on 9 March 2021 which noted that insourcing the leisure service was the preferred option to meet the council's objectives and a recommendation was agreed to bring a Gateway 1 report to cabinet in autumn 2021 to seek approval of a proposed insourcing strategy.

The Gateway 1 report (September 2021), seeks approval to bring the leisure service back in house in June 2023 following the recommendation of the GW0 report in March 2021. The report describes the key phases and tasks involved, identifies the anticipated benefits and risks and the resources likely to be required.

Future leisure service offer

The council is currently planning to offer a like-for-like service when the leisure service is insourced in June 2023.

This EQIA will be updated periodically during the mobilisation period. Post-transfer (June 2023), any additional data available to the Council will be utilised to review any gaps in provision for groups with protected characteristics, so that future provision can be adjusted accordingly.

Section 3: Overview of service users and key stakeholders consulted

2. Service users and stakeholders	
Key users of the department or service	Users of the service are residents and council staff members.
Key stakeholders were/are involved in this policy/decision/business plan	<ul style="list-style-type: none"> • Internal business units <ul style="list-style-type: none"> ○ Leisure ○ HR ○ Procurement ○ Legal ○ IT ○ Finance ○ Comms ○ Facilities Management ○ Public Health ○ Health and Safety ○ Children and Adults Services • Councillors • Residents • Sport & Leisure Management Limited • Leisure Centres <ul style="list-style-type: none"> ○ Camberwell Leisure Centre ○ The Castle Centre ○ Dulwich Leisure Centre ○ Geraldine Mary Harmsworth Sports Facility ○ Peckham Pulse Leisure Centre ○ Seven Islands Leisure Centre ○ Surrey Docks Fitness & Watersports Centre ○ Southwark Athletics Centre

Section 4: Pre-implementation equality analysis

<p>Age - Where this is referred to, it refers to a person belonging to a particular age (e.g. 32 year olds) or range of ages (e.g. 18 - 30 year olds).</p>
<p>Potential impacts (positive and negative) of proposed policy/decision/business plan</p>
<p>As the council is currently planning to continue with the current service offer when it insources the leisure service in June 2023 there is unlikely to be any specific issues relating to age. The council is planning to continue its silver sessions (for those aged over 60).</p> <p>If the council decides to make changes to its future service offer the following information should be considered:</p> <p>60 and above</p> <ul style="list-style-type: none"> Evidence demonstrates that older adults are more likely to become inactive which contributes to frailty, social isolation and other associated illnesses. Sport and physical activity can play a significant part in reducing social isolation and loneliness. This is important in Southwark because our older population will grow bigger and at a faster rate than any other age group. <p>All adults</p> <ul style="list-style-type: none"> 58.8% of the adults (18yrs+) in Southwark are overweight or obese. <p>Children and young people</p> <p>Southwark has one of the highest levels of obesity amongst young children in the country; 39.8% of children are overweight or obese by year 6 and Southwark is ranked fifth for excess weight and fifth for obesity in Reception and Year 6 children in London. It is clear that children and young people need to increase their activity levels.</p>
<p>Equality information on which above analysis is based</p>
<ul style="list-style-type: none"> JSNA 2017 'The health of school-aged children and young people in Southwark (5-19 years)' Public Health Outcomes Framework Sport and physical activity strategy 2019 to 2023
<p>Mitigating actions to be taken</p>
<p>No mitigating actions are currently proposed as no changes to the current service offer are proposed.</p> <p>Post-transfer (June 2023), any additional data available to the Council will be utilised to review any gaps in provision for groups with protected characteristics, so that future provision can be adjusted accordingly.</p>

Disability - A person has a disability if s/he has a physical or mental impairment which has a substantial and long-term adverse effect on that person's ability to carry out normal day-to-day activities.

Potential impacts (positive and negative) of proposed policy/decision/business plan

As the council is currently planning to continue with the current service offer when it insources the leisure service in June 2023 there is unlikely to be any specific issues relating to disability. The council will continue to offer residents with a disability free access to all leisure centres seven days a week.

If the council decides to make changes to its future service offer the following information should be considered:

- JSNA data shows that those with learning disabilities in particular, when compared to the general population, are much more likely to have a poor diet, be physically inactive and be overweight or obese. In addition, as noted in Southwark's 'Sport and physical activity strategy 2019 to 2023,' 13.5 % of our residents have one or more disabilities and we know many of them want to be more active but for various reasons feel unable to do so. Although no local data exists, all measurement of disabled participation shows a worrying trend – disabled people are twice as likely to be physically inactive (43%) than non-disabled people (21%) – Sport England, Active Lives 1 (2015-16). Therefore, it is even more important that those with disabilities have as many opportunities as possible to be physically active.
- As noted in the JSNA 2018, within Southwark there is a substantial variation in the distribution of those with learning disabilities. Data shows that East Dulwich has the highest rate of people living with learning disabilities compared to other wards in the borough.
 - 26 per 10,000 people in East Dulwich ward have learning disabilities.
 - 7 per 10,000 people in Chaucer ward have learning disabilities which is the lowest rate in the borough.

Equality information on which above analysis is based

- JSNA 2017
- JSNA 2018
- Sport and physical activity strategy 2019 to 2023

Mitigating actions to be taken;

No mitigating actions are currently proposed as no changes to the current service offer are proposed.

Post-transfer (June 2023), any additional data available to the Council will be utilised to review any gaps in provision for groups with protected characteristics, so that future provision can be adjusted accordingly.

Gender reassignment - The process of transitioning from one gender to another.
Potential impacts (positive and negative) of proposed policy/decision/business plan
We currently do not have data relating to gender reassignment of residents participating in physical activity at leisure centres at present.
Equality information on which above analysis is based.
Currently there are no standard national sources of transgender statistics, nor is there standard data on the use of health services or referrals to gender identity clinics. However, GIRES (the Gender Identity Research and Education Society) estimate that 0.6-1% of the population may experience gender dysphoria.
Mitigating actions to be taken;
No mitigating actions are currently proposed as no changes to the current service offer are proposed. Post-transfer (June 2023), any additional data available to the Council will be utilised to review any gaps in provision for groups with protected characteristics, so that future provision can be adjusted accordingly.

Marriage and civil partnership – In England and Wales marriage is no longer restricted to a union between a man and a woman but now includes a marriage between a same-sex couple. Same-sex couples can also have their relationships legally recognised as 'civil partnerships'. Civil partners must not be treated less favourably than married couples and must be treated the same as married couples on a wide range of legal matters. (Only to be considered in respect to the need to eliminate discrimination.)
Potential impacts (positive and negative) of proposed policy/decision/business plan
No specific issues relating to marriage and civil partnerships
Equality information on which above analysis is based
<ul style="list-style-type: none"> • JSNA 2017
Mitigating actions to be taken

No mitigating actions are currently proposed as no changes to the current service offer are proposed.

Mitigating actions unlikely to be required, however, post-transfer (June 2023), any additional data available to the Council will be utilised to review any gaps in provision for groups with protected characteristics, so that future provision can be adjusted accordingly.

Pregnancy and maternity - Pregnancy is the condition of being pregnant or expecting a baby. Maternity refers to the period after the birth, and is linked to maternity leave in the employment context. In the non-work context, protection against maternity discrimination is for 26 weeks after giving birth, and this includes treating a woman unfavourably because she is breastfeeding.

Potential impacts (positive and negative) of proposed policy/decision/business plan

The importance of keeping fit and healthy during pregnancy is well known; therefore, the continuation of free swim and gym will have a positive impact on pregnant women.

Equality information on which above analysis is based

The council does not currently track pregnancy or maternity status of residents through physical activity and leisure opportunities. This will be reviewed as appropriate to see if this requires amendment going forward.

Mitigating actions to be taken;

No mitigating actions are currently required as no changes to the current service offer are proposed.

Post-transfer (June 2023), any additional data available to the Council will be utilised to review any gaps in provision for groups with protected characteristics, so that future provision can be adjusted accordingly.

Race - Refers to the protected characteristic of Race. It refers to a group of people defined by their race, colour, and nationality (including citizenship) ethnic or national origins. N.B. Gypsy, Roma and Traveller are recognised racial groups and their needs should be considered alongside all others

Potential impacts (positive and negative) of proposed policy/decision/business plan

As the council is currently planning to continue with the current service offer when it insources the leisure service in June 2023 there is unlikely to be any specific issues relating to race. The continuation of free swim and gym will have a positive effect on residents from all backgrounds.

If the council decides to make changes to its future service offer the following information should be considered:

- As noted in the JSNA 2017, excess weight is highest among children from Black or Black British backgrounds and (as noted in Southwark's 'Sports Strategy 2019 – 2023') residents from black and minority ethnic backgrounds can be up to 13% less likely to meet the physical activity guidelines of doing 150 minutes each week of moderate intensity exercise. This should be taken into account when considering any future proposed changes to the service.
- The 2011 Census shows that ethnic minority groups in Southwark are not evenly spread across the borough:
 - The highest concentration of people identifying themselves as white is in the south of the borough
 - The highest concentration of people identifying themselves as from a black minority group is in and around the centre of the borough
 - The highest concentration of people identifying themselves as from an asian minority group is in the north of the borough

Equality information on which above analysis is based

- JSNA 2017 – school age children and young people
- JSNA 2018/19
- JSNA 2017
- 2011 census

Mitigating actions to be taken;

No mitigating actions are currently required as no changes to the current service offer are proposed.

Post-transfer (June 2023), any additional data available to the Council will be utilised to review any gaps in provision for groups with protected characteristics, so that future provision can be adjusted accordingly.

Religion and belief - Religion has the meaning usually given to it but belief includes religious and philosophical beliefs including lack of belief (e.g. Atheism). Generally, a belief should affect your life choices or the way you live for it to be included in the definition.

Potential impacts (positive and negative) of proposed policy/decision/business plan

No specific impacts have been identified or raised in relation to this characteristic

Equality information on which above analysis is based

- JSNA 2017

Mitigating actions to be taken;
<p>No mitigating actions are currently required as no changes to the current service offer are proposed.</p> <p>Post-transfer (June 2023), any additional data available to the Council will be utilised to review any gaps in provision for groups with protected characteristics, so that future provision can be adjusted accordingly.</p>

Sex - A man or a woman.
Potential impacts (positive and negative) of proposed policy/decision/business plan
<p>As the council is currently planning to continue with the current service offer when it insources the leisure service in June 2023 there is unlikely to be any specific issues relating to sex.</p> <p>If the council decides to make changes to its future service offer the following information should be considered:</p> <ul style="list-style-type: none"> • Women and girls in Southwark are shown to be less likely to take part in physical activity and sport compared to males; just over 40.2% of males compared to only 28.8% of female participate in sport for at least 30 minutes per week.
Equality information on which above analysis is based
<ul style="list-style-type: none"> • JSNA 2017 • Sport and physical activity strategy 2019 to 2023
Mitigating actions to be taken;
<p>No mitigating actions are currently required as no changes to the current service offer are proposed.</p> <p>Post-transfer (June 2023), any additional data available to the Council will be utilised to review any gaps in provision for groups with protected characteristics, so that future provision can be adjusted accordingly.</p>

Sexual orientation - Whether a person's sexual attraction is towards their own sex, the opposite sex or to both sexes
Potential impacts (positive and negative) of proposed policy/decision/business plan

<p>As the council is currently planning to continue with the current service offer when it insources the leisure service in June 2023 there is unlikely to be any specific issues relating to sexual orientation. We currently have limited and only estimated data relating to sexual orientation.</p>
<p>Equality information on which above analysis is based</p>
<ul style="list-style-type: none"> • JSNA 2017
<p>Mitigating actions to be taken;</p> <p>No mitigating actions are currently required as no changes to the current service offer are proposed.</p> <p>Post-transfer (June 2023), any additional data available to the Council will be utilised to review any gaps in provision for groups with protected characteristics, so that future provision can be adjusted accordingly.</p>
<p>Socio-economic disadvantage – although the Equality Act 2010 does not include socio-economic status as one of the protected characteristics, Southwark Council recognises that this continues to be a major cause of inequality in the borough.</p> <p>Socio economic status is the measure of an area's, an individual's or family's economic and social position in relation to others, based on income, education, health, living conditions and occupation.</p>
<p>Potential impacts (positive and negative) of proposed policy/decision/business plan</p>
<p>As the council is currently planning to continue with the current service offer when it insources the leisure service in June 2023 there is unlikely to be any specific issues relating to socio-economic disadvantage.</p> <p>If the council decides to make changes to its future service offer the following information should be considered:</p> <ul style="list-style-type: none"> • Eight neighbourhoods within Southwark are classified as being in the bottom 10% most deprived in the country and we know that in addition to numerous other challenges, there is a direct relationship between greater levels of inactivity and areas of deprivation. • Southwark is the 40th most deprived LA in the country (out of 326 local authorities), 38% of our residents live in communities ranked in the 20% most deprived areas. In contrast, only 2% of residents live in communities considered the most affluent nationally.
<p>Equality information on which above analysis is based</p>
<ul style="list-style-type: none"> • JSNA 2017 • Sport and physical activity strategy 2019 to 2023
<p>Mitigating actions to be taken;</p>
<p>No mitigating actions are currently required as no changes to the current service offer are proposed.</p> <p>Post-transfer (June 2023), any additional data available to the Council will be utilised to review any</p>

gaps in provision for groups with protected characteristics, so that future provision can be adjusted accordingly.

Human Rights

There are 16 rights in the Human Rights Act. Each one is called an Article. They are all taken from the European Convention on Human Rights. The Articles are The right to life, Freedom from torture, inhuman and degrading treatment, Freedom from forced labour, Right to Liberty, Fair trial, Retrospective penalties, Privacy, Freedom of conscience, Freedom of expression, Freedom of assembly, Marriage and family, Freedom from discrimination and the First Protocol

Potential impacts (positive and negative) of proposed policy/decision/business plan

The insourcing of the leisure service will have no impact on the Articles that are set out in the Human Rights Act.

Information on which above analysis is based

Mitigating actions to be taken

Section 5: Further actions and objectives

5. Further actions			
Based on the initial analysis above, please detail the key mitigating actions or the areas identified as requiring more detailed analysis.			
Number	Description of issue	Action	Timeframe
1	EQIA update during mobilisation period	Regularly review and update the EQIA document on a quarterly basis. (An in-depth update will be required in response to any changes proposed as part of the strategic outcomes planning work)	Quarterly
2	EQIA update following transfer of service	A full EQIA review will be undertaken on transfer of the service, when additional data will (subject to GDPR legislation) be available to aid and inform the full refresh.	Summer 2023
3			
4			
5			
6			
7			

5. Equality objectives (for business plans)				
Based on the initial analysis above, please detail any equality objectives that you will set for your division/department/service. Under the objective and measure column please state whether this objective is an existing objective or a suggested addition to the Council Plan.				
Objective and measure	Lead officer	Current performance (baseline)	Targets	
			Year 1	Year 2

5. Health objectives (for business plans)

Based on the initial analysis above, please detail any health objectives that you will set for your division/department/service. Under the objective and measure column please state whether this objective is an existing objective or a suggested addition to the Council Plan.

Objective and measure	Lead officer	Current performance (baseline)	Targets	
			Year 1	Year 2

Item No. 15.	Classification: Open	Date: 14 September 2021	Meeting Name: Cabinet
Report title:		Gateway 1 - Procurement Strategy Approval for the Borough's Tree Works Programme	
Wards affected:		All	
Cabinet Member:		Councillor Catherine Rose, Transport, Parks and Sport	

FOREWORD – COUNCILLOR CATHERINE ROSE – CABINET MEMBER FOR TRANSPORT, PARKS AND SPORT

This report builds on the previous Gateway 0 Report approved by Cabinet on 9 March 2020.

It outlines the additional work and development done to create a new strong, single in-house tree team in terms of strategic policy, oversight and leadership in regards to tree planting and renewal of our tree stock. This report sets out how we will create a level of resource and skill to meet the challenges ahead. Trees are a key element to tackling the Climate Emergency, greening our streets and improving the health and well-being of our communities.

It also sets out a robust procurement framework that will tender for and create a contracted level of resource and specialist skills to focus on maintaining trees safely and helping us to maximise public safety, ensuring Southwark meets its duty of care obligations as well as managing corporate exposure to risk. We have a responsibility to develop a long term model of tree maintenance and works that allows us to be agile and responsive to the demands and scale of our ambition for our tree service and tree stock across the whole borough. The nature and characteristics of which are unique in scale, variety and complexity in London. We therefore wish to draw upon the wide variety of skills and specialisms that the industry has to offer and develop a model of delivery and management that is good value to our residents, but also delivers an excellent service, at scale and for the long term.

We continue to work closely with all directly affected staff, unions and stakeholders to ensure that the process of realigning the service is done in an orderly process that allows for the retention of key skills and knowledge, either as direct employees or as TUPE personnel working in partnership with us as contractors. We also have an opportunity to secure a skill base and investment in trees skills in partnership with contractors, within the borough to help support the local economy and wider demand for skilled tree personnel.

The care, management and replenishment of trees forms a key part of our broader approach to tackling the climate emergency agenda.

We are directly responsible for 82,500 trees in our borough, we also seek to ensure the retention of another 30,000 trees that are the responsibility of others. We have a stated ambition to plant another 10,000 trees by 2022 and develop essential plans that extend beyond that to meet the priorities and concerns of our residents, businesses and other stakeholders that care passionately about the trees in their local neighbourhood, parks, woodland and wider borough.

RECOMMENDATIONS

That Cabinet are asked to:

1. Approve a competitive tender process to establish tree maintenance and emergency contract(s) with up to three providers for a period of four years with an option to extend for an additional period of up to two years, at an annual estimated total value of £2m, with an estimated total contract cost of £12m for the full term of the contract from July 2022.
2. Approve the establishment of a framework agreement for tree maintenance for a period of four years that will be open for use by all London boroughs from July 2022 as further detailed in paragraphs 59 and 60.
3. Delegate the Gateway 2 (contract award) decisions for both the maintenance lots, emergency lot and framework agreement to the Strategic Director of Environment and Leisure, in consultation with the Strategic Director for Finance and Governance and the Cabinet Member for Transport, Parks and Sport for the reasons outlined in paragraph 76 of this report.
4. Note the proposed remodel of the current in-house tree maintenance team as part of the reshaping of the council tree services.

BACKGROUND INFORMATION

5. Southwark manages approximately 82,500 trees spanning over 400 species in places such as parks and open spaces, housing estates and highways. In addition, there are approximately 30,000 trees in Southwark which are located on private land and not managed by the council directly.
6. In recent years the council has faced challenges around the resources available to manage the tree stock. This, coupled with the council's commitment to planting more trees, led to a review of the overall tree services with the aim of ensuring the council was meeting its statutory duty of care whilst also being responsible custodians of a valued asset in a challenging urban setting.
7. In March 2021 a Gateway 0 report was presented to Cabinet that explored the options available to the council for reshaping the council's tree services in order to meet those aims.

8. The outcome of that report was to outsource the core tree works. It should be noted that 60% of the tree maintenance work is currently being carried out by external providers through a series of smaller procurements.
9. This report sets out the proposed procurement route for the outsourcing of the core tree maintenance works to be carried out by external suppliers to ensure the associated potential risks are managed and the tree stock is sustainably maintained for years to come.

Strategic direction

10. Southwark's Tree Management Policy (TMP) sets the strategic aims for the council and other key stakeholders in relation to the security, preservation and enhancement of the council's treescape now and into the future. The policy includes the Tree Risk Management Strategy (TRMS) which sets out the procedures the council is required to carry out in order to meet its statutory obligations.
11. The trees in and around our urban areas are collectively known as the 'urban forest' and are generally recognised and appreciated for their amenity and presence in the cityscape whilst at the same time improving air quality, protecting watercourses, saving energy, improving economic sustainability as well as having many health and wellbeing benefits.
12. The Council's biodiversity plan - the Southwark Nature Action Plan (SNAP), 2020 – 2025 sets out the plan for conservation and enhancement of the natural environment and drive for improvements in biodiversity.
13. In March 2019 the council declared a climate emergency and vowed to "*do all it can to make the borough carbon neutral by 2030.*" The Cabinet has formally considered Southwark's response to the Climate Emergency in a cabinet report presented in July 2021. The report set out Southwark's approach to the Climate Emergency and outlined approaches to support the Council and communities to achieve carbon neutrality by 2030.
14. Tree management and planting is an important part of Southwark's Climate Strategy owing to the significant contribution the tree stock makes towards climate change mitigation in terms of pollution removal, carbon storage (and sequestration) and flood alleviation. For these reasons it is important now more than ever, to ensure this valuable asset is protected, enhanced and managed effectively and therefore putting in place a sustainable and effective tree service that can deliver against these policies is a top priority.
15. In light of the Council's broader environment and climate change agenda, capital funding of £5m was agreed in April 2020 to increase the number of trees planted annually, to reverse any net loss of trees (more trees removed than planted) and ensure a net increase in trees in the borough for the benefit of future generations of Southwark residents. The current Borough Plan includes an ambitious target of planting a total of 10,000 trees from

2020 - 2021 to 2021 - 2022. In 20/21 8,014 trees were planted, substantially exceeding the 5,000 target for the year.

KEY CONSIDERATIONS

Statutory and legal requirements

16. Public safety is of paramount importance and needs to be balanced with the environmental and amenity benefits trees provide. Southwark has a “Duty of Care” to manage its trees responsibly.
17. As well as mitigating the most significant risk – that of risk against the person - there are also financial and reputational risks, that manifest themselves when trees cause damage to persons or property. The on-going completion of tree inspections and works within specified timescales/dates is considered the absolute corner stone in mitigating risk to the person and thereby maintaining a “defendable risk management system”, which is also used as evidence to mitigate third party claims.
18. There are a number of areas of law that impact the tree service:
 - Wildlife and Countryside Act 1981 - Protection of birds during nesting season
 - Tree Preservation Order & Conservation Areas – Planning protection for trees
 - Highways Act 1980 Section 154 – trees adjacent to the highway
 - Common Law Entitlement – Trees overhanging boundaries
 - Statute Law – Case law and precedents set in court.

Current service arrangements

19. The current tree service is split between two in-house teams and external contractors:
 - The Tree Client Team (Parks and Leisure) six posts including the service manager responsible for;
 - Strategic, policy and risk management
 - Tree governance
 - Tree inspections and specification of works
 - Contracting out tree planting to external contractors
 - Dealing with insurance claims
 - Procurement of external contractor support for additional tree works.
 - The Tree Works Maintenance Team (Waste and Cleansing) 16 posts including the team manager responsible for;
 - Tree surgery
 - Pollarding
 - Felling
 - Waste storage/disposal

- Stump grinding
 - Emergency response service.
20. The coordination of tree planting is undertaken by the client team and is currently capital funded and uses external specialised contractors via annually let contract arrangements including three year maintenance and aftercare. Planting has differing skill set requirements to that of tree surgery. The work is also seasonal by nature; tree planting being undertaken in the winter months with watering and establishment maintenance programmed for the spring and summer period.
21. Planting works can be delivered internally or externally in conjunction with other landscaping or tree service activities.
22. Officers in the council's development management team within planning also deal with tree related planning matters such as planning applications (including consultation), planning appeals, court evidence, government guidance and legislation on natural heritage, biodiversity, Tree Preservation Orders (TPO's) and Conservation Areas. This element of the council's services is not within the scope of this procurement.
23. The council continues to require significant levels of support from external suppliers to deliver the historic and ongoing backlog of tree works due to the limited capacity of the current in house team and the large volume of trees the council is required to maintain. Whilst this work is procured in line with Contract Standing Orders, the nature and length of the contracts means that this approach is not the most cost effective for the council.

Anticipated future service works requirements

24. The following table outlines estimated future works volumes. Core programme and re-pollard figures have been calculated based on works orders relating to the last condition survey. Insurance programmed mitigation works (insurance cycle) figures are calculated from new programme to be introduced October 2021. Officers have modelled the estimated works required to be completed on an annual basis in order to determine the required resource to service the works generated.

Table 1. Future estimated work requirements

Tree maintenance element	Work type	Required jobs per annum	Required jobs per month
1	Core programme (incl. emergency call outs)	6,720	560
2	Insurance cycle	1,279	107
3	Re-pollards	1,325	110
Totals		9,324	777

Options for procurement route including procurement approach

25. The Gateway 0 report to cabinet in March 2021, set out the assessment for various options for the delivery of the future of the tree service which included variations of the following:
- No change: Retain the current split management function and in house tree work delivery service, supplemented by external contract support, let on a lotted procurement basis.
 - Merge the client and works teams and expand the current in house provision to undertake all of the tree work.
 - Adopt a mixed economy model merging the client and works teams and providing tree works delivery through a range of four options with varying degrees of internal and external provision
 - Externalisation of the entire service
 - Consider how best to deliver the £5m capital funded tree planting programme through either internal or external suppliers.
26. Providing 'no service' or doing nothing was not considered an option owing to the statutory requirements protecting public safety and the council's climate change mitigation commitments, as outlined in the GW0.

Recommended Option

27. The cabinet report recommended the approval of the option to externalise the tree maintenance works whilst retaining a small number of staff within a new tree planting team (known as Option 4).
28. Cabinet approved the externalisation of the tree maintenance works but requested that officers explore any opportunities to retain any of the in house works team (16 staff) in addition to any opportunities offered through the new proposed planting team (nine staff).
29. Following this request, officers have reviewed opportunities to retain a greater number of staff in the in-house team. This has included early engagement with the tree team (three staff meetings), where a clear preference was expressed by staff to remain in-house. However, it has not been possible to find a model which fits delivery by an in-house team of this size either by geography or type of work and which effectively manages the operational risk.
30. It should be noted that at the time of writing this report that of the team of 16, there are 5 vacancies of which one is being covered by an agency staff member. For the remaining 11 staff there are opportunities to consider joining the new tree planting team (nine posts). All staff within the team will be given the training and support required to apply for other roles within the council or to take up new roles within the externalised service.

Maintenance works contract

31. The procurement approach will include a commitment to focus on creating a high quality outsourced works service, so that Southwark has locally-based, high quality tree provision which will support and enhance the local economy.
32. The proposed contract term is for four years with an extension option of up to a further two years. In line with public contract regulations an open tender process is recommended.
33. On the basis of externalised tree works, this report sets out the plan to procure a formal contract of up to three lots, spread across three geographic areas, providing cover across the whole borough. In addition, arrangements will be put in place to service 24 hour emergency call outs.
34. The external contractors will carry out the following work areas;
 - Emergency call outs
 - Fells (tree removal)
 - Ad hoc works
 - Insurance cyclical programme maintenance
 - Works generated by inspections (condition surveys)
 - Pollarding
 - Stump grinding

Framework agreement

35. In line with the recommendation in paragraph 2 a framework agreement will be established for tree works that is available to use by all London Boroughs as part of this procurement. As well as providing the opportunity to introduce an additional contractor, in exceptional circumstances to assist with backlog (e.g. storm damage), this framework approach will also have the potential to generate income for the council with a cost charged if utilised by other contracting authorities. The establishment of the framework incurs little additional work for the council.

Tree planting

36. The new internal tree planting team will be responsible for planting up to 5,000 trees (mature trees through to saplings) per season in association with servicing a formal tree planting strategy. They will also service a large maintenance program in the summer months to ensure successful establishment of the newly planted trees. The team will be supported by a manager, who will provide day to day management oversight, linkage between the planting team and the client team and supplement the existing operational experience in the client team.
37. The establishment of a new Tree Planting Team strongly demonstrates the council's commitment to tackling the Climate Emergency. Creating a service that is solely focused on greening the borough to improve the quality of the

lives of residents is just one of the many measures being taken to address the Climate Emergency.

38. In addition to undertaking the tree planting function (a council plan objective) the in house planting team will also:
- Enable some of those who wish to stay with the council the option to do so – supporting the Council’s commitment to provide a direct service wherever possible.
 - Show a strong commitment to the Climate Emergency by re-focusing the team.
 - Provide potential career path opportunities in terms of apprentices, succession planning, and other return to work programmes.
 - Enhance working between the council and the voluntary sector through providing the opportunity to train the planting team to lead community group planting sessions.
39. It is proposed that the new Tree Planting Team will sit within and be managed alongside the Client Team in the Parks and Leisure Division from the point the new external works contracts begin.
40. The proposed changes and transition of any in house tree team going forward will be subject to the council’s approved HR processes and will include formal consultation with both staff and trade unions. Any required approvals will be sought via the councils delegated approvals process.

Client Team

41. The Client Team provision and structure will remain largely the same, i.e. one manager and five arboricultural officers. As well as having client monitoring skills, a number of the team also have practical tree works experience, thereby ensuring that these skill sets are maintained within the council to ensure robust monitoring of any external contractors. It may be necessary for some amendments to roles and responsibilities within the client team, to reflect the new service arrangements and reporting structure.

Market considerations

42. Current industry considerations and pressures include:
- ‘Brexit’ employment impacts
 - Rising London living costs restricting staff availability
 - Post COVID impacts on recruitment
 - Industry struggling to recruit and retain appropriately trained and skilled staff
 - Relatively low industry rates of pay, impacting recruitment and retention
43. All industry suppliers, whether local authority or external, are impacted by the same pressures therefore competing for an increasingly smaller pool of specialised staff.

44. Due to industry conditions there are only a small number of suppliers servicing local authority contracts. This has the potential to impact not only market capacity, but also a competitive market place.
45. The proposed model seeks to address these challenges by seeking multiple suppliers through contract lots, therefore reducing resourcing concerns and associated risk. This approach may also prove attractive to smaller local suppliers, an approach that also, therefore, seeks to support Southwark's local economy.

Proposed procurement route

Contract period and coverage

46. The contract term will be four years with extension options of up to a further two years. This term is considered optimal, as it is long enough to make it viable for contractors to bid for but avoids the pitfalls often inherent in long contracts, it is designed to be flexible to allow for an extension in the circumstances that the contract/s is/are performing well and meeting the desired outcomes.
47. It is proposed that the contract will be made up of three tree maintenance lots reflective of the three geographical areas; North, Central and South.
48. As set out in recommendation 2, an additional lot will establish an emergency tree works call out service contract with one provider. This will be awarded to one of the successful external suppliers bidding for lots.
49. Suppliers will be able to bid for one, two or all three maintenance works lots and evaluated against the evaluation criteria set out. This approach will provide choice for the market, and will demonstrate whether best value for money can be achieved by suppliers having more than one lot. This needs to be considered alongside the benefits derived from having three separate providers – i.e. the avoidance of having to rely on a sole contractor – with the ability for more than one supplier to assist with minimizing the risk of a backlog of works.
50. This approach seeks to provide maximum flexibility for the market, as it should attract smaller, local providers, as well as larger arboricultural firms. The ability to bid for the all of the geographical areas as a single lot, should also maximise financial options.
51. The framework agreement will be set up for four years and will provide additional risk mitigation should a service failure occur.

Contract form

Maintenance works contract

52. The procurement will be for services contracts and let in line with the Public Contract Regulations.
53. The new contracts will include requirements for excellent governance, monitoring and KPI's, ensuring quality outputs. A programme of work to include, risk management, customer service, environmental considerations and a pro-active approach to social values and innovation.
54. The contracts will be targeted at appropriately sized, specialised tree work suppliers to maximise market interest.
55. Mechanisms will be put in place in the contract terms and conditions whereby contractors can support each other should the situation arise such as post-storm support. These mechanisms will also allow the council to act quickly in instances where a contractor fails to perform. The council will be able to either call on one of the other contractors or from the framework. The purpose of this would be to ensure backlogs do not build up and works are completed in accordance with the timeframes set out in the TMP.
56. Suppliers invited to tender as part of the capacity assessment, will need to meet an annual turnover threshold set against for the estimated lot values, and must demonstrate their financial stability if they are to be included in the tender process. This is part of the usual management of risk within the procurement process.

Contract documentation

57. The contract documents will cover the following key elements;
 - Conditions of contract
 - Arboricultural specification
 - Price, quality and social value evaluations
 - Health and safety risk and method statements
 - Contract governance
 - Financial assessment
58. A robust performance management system will be put in place.
59. The contract will include the establishment of a framework agreement for the same term. The purpose of the framework is for the council to be able to respond quickly to any capacity issues by having an established agreement to call off. This will encourage bidders and provide additional risk mitigation enabling swift access to service contingencies and a facility for other borough's to use. This aspect will be evaluated broadly in line with the

criteria set out for the main contract, with appropriate adjustments for external borough use.

60. The number of providers on the framework is yet to be determined but is being developed ahead of the procurement. Officers are currently exploring the optimum number which will be detail in the invitation to tender and reported in the gateway 2 report.

Advertising the contract

61. The contracts will be advertised on the Find a Tender Service in line with the Public Contract Regulations (2015).

Evaluation

62. As this will be an open procedure, tenderers will be asked to submit a Selection Questionnaire (SQ) alongside their tender proposals. The SQ will be assessed prior to the tenderer's proposals being evaluated and the evaluation panel will assess the capacity, capability and experience of the supplier to provide these services.
63. Evaluation of bids will be conducted at 55% price, 35% quality and 10% social value considerations. The framework agreement will be evaluated in line with these percentages but allowing for social value to be assessed by boroughs at call off stage.
64. Each tenderer's price will be calculated in accordance with the price evaluation methodology detailed in the tender pack with suppliers completing a schedule in the tender. The lowest sustainable tender price will be awarded the maximum scores for the price evaluation, the other tenderers' scores will be based on a percentage of that score.
65. The quality element of the tender evaluation will be by weighted score against the following criteria for tender evaluation:
- Proposed management structure
 - Contractor's proposed method statements for carrying out the service, managing work volumes and ensuring professionally qualified staffing capacity, to ensure maximum productivity
 - Quality management and quality control
 - Social value and benefits to local community
 - Compliance with management
 - Equality and Diversity
66. The questions will require bidders to explain how they intend to deliver the services. The responses submitted by the winning tenderer will become contractually binding.
67. The quality evaluation will be carried out independently by an evaluation panel. Each question will be scored independently by each member of the

evaluation panel from 0 to 5. Once each question is scored the appropriate weighting will be applied to each score.

68. A quality moderation meeting will be held. This will be chaired by an officer who has not independently scored the quality submissions and attended by all officers who have independently scored the quality submissions. At this meeting a consensus score will be agreed to ensure consistency in the scoring methods. The consensus scores will then be weighted as defined in the tender documents and will be added together to produce the final quality score for that tender.
69. The price score and the quality score will then be added together to produce an overall score for each tender. The tenderer providing the most economically advantageous offer evaluated across the quality and pricing to deliver the contract.
70. Quality and social value scoring (by lot) will remain constant, but any referential discounts for winning of multiple lots will be combined to show which combination of lots will achieve best value for the council against the evaluation and will be that to be recommended to be awarded the contract(s) with the lowest prices for the council to deliver all three lots awarded the highest price score. The evaluation criteria for the framework agreement will be the same as set out above.

Development of the tender documentation

71. The project team consists of appropriate officers from finance, legal and procurement departments to assist the Parks and Leisure Teams by providing suitable technical expertise and governance. The project team are responsible for ensuring all documentation has been produced and approved for the final tender packs. The project team meet, as a minimum, on a monthly basis. The documents are reviewed at these meetings. The specification and ITT documents are being developed by the existing tree client team in conjunction with the project team.

Identified risks for the procurement

Table 2 – Identified risks for the procurement

No.	Risk	Risk rating	Description and mitigation
1	Abnormally low bids - There would be a risk of suppliers providing an unsustainably priced bid	Low	Robust evaluation of the pricing proposals will be conducted to ensure that the successful supplier can deliver sustainable services to the required volumes and desired quality.
2	Exceptionally high bids - There is a risk that bidders will submit unacceptably	Medium	Robust evaluation and reviews of the pricing tender submissions

No.	Risk	Risk rating	Description and mitigation
	high bids.		Challenge bidders understanding of contract pricing.
3	Insufficient resource - Not having the appropriate resource to deliver this project could result in delays or even stop this project. Not providing this service would leave the council vulnerable	Low	Appropriate resources have been identified to ensure this procurement is resourced correctly.
4	Poor supplier response - A poor response resulting in few suppliers presenting submissions undermines the procurement and limits the council's choice of suppliers.	Low	Workshop sessions for bidders will be held to inform potential suppliers and promote the procurement to the market. These workshops will include messaging about interest in receiving bids from smaller organisations. Lotting strategy set up to be inclusive of both small and large businesses. Establishment of the framework provides the dual benefit of a mechanism to deal with work volume contingency/poor performance to avoid future backlog.
5	Failure of Suppliers (financial security) - Tree maintenance suppliers working within low margins are at financial risk when systemic problems arise.	Low	Tender evaluation methodology will provide reassurance of bidders' financial security, reducing risk to the council
6	Insufficiently robust specification - Poor specification results in contracted services not being fit for purpose to meet the council's requirements.	Low	Development of a clear specification, alongside, effective specialist workshops to identify requirements of the service and mitigate risks in terms of public safety and escalated costs.
7	Delays to procurement programme Procurement programme is delayed	Low	Resources are identified, tender and contractual documentation is in advanced format - this has been built into the timetable.

Key / Non Key decisions

72. This report is a key decision.

Policy Implications

73. The Borough Plan 2020-22 sets out a series of commitments across six themes:

- A place to call home
- Climate Emergency
- A green and fair economic renewal
- Tackling health inequalities
- A great start in life
- Southwark Together

74. An effective tree service provision is linked to a number of the themes in the Borough Plan through specific commitments set out below.

75. The council will:

- Make Southwark carbon neutral by 2030
- Plant 10,000 new trees
- Make nature accessible to all
- Halve emissions by 2022
- Make council homes greener
- Improve air quality

Procurement Project Plan (Key Decisions)

Activity	Complete by:
Gateway 1 decision on the Forward Plan	July 2021
DCRB Review Gateway 1	4 Aug 2021
Brief relevant cabinet member (over £100k)	18 Aug 2021
CCRB Review Gateway 1	19 Aug 2021
Deadline for reports to Agenda Planning	23 Aug 2021
Agenda Planning	31 Aug 2021
Deadline for reports submission for Cabinet	2 Sep 2021
Approval of Gateway 1: Procurement strategy report	14 Sept 2021
Scrutiny Call-in period and notification of implementation of Gateway 1 decision	29 Sep 2021
Completion of tender documentation	30 Sep 2021

Activity	Complete by:
Invitation to tender	1 Oct 2021
Closing date for return of tenders	15 Nov 2021
Completion of any clarification meetings/presentations/evaluation interviews	15 Dec 2021
Forward Plan (if Strategic Procurement Gateway 2)	31 Dec 2021
Completion of evaluation of tenders	15 Jan 2022
DCRB Review Gateway 2:	2 Feb 2022
CCRB Review Gateway 2	10 Feb 2022
Notification of forthcoming decision	21 Feb 2022
Approval of Gateway 2: Contract Award Report	1 March 2022
End of scrutiny Call-in period and notification of implementation of Gateway 2 decision	15 March 2022
Debrief Notice and Standstill Period (if applicable)	31 March 2022
Contract award	1 April 2022
Add to Contract Register	1 April 2022
Place and aware notice on Find an tender service	1 April 2022
Place award notice on Contracts Finder	1 April 2022
Mobilisation period	1 Apr – 4 Jul 2022
Contract start	4 July 2022
Contract Completion Date- framework and contracts agreement	3 July 2026
Contract End Date - (if extension(s) exercised only for recommendation 1)	3 July 2028

76. As noted in recommendation three, approval is being sought to delegate the Gateway 2 (award) decision to the Strategic Director of Environment and Leisure in consultation with the Strategic Director for Finance and Governance and the Cabinet Member for Transport, Parks and Sport. As shown in the procurement project plan, award of the contract is expected in April 2022, at a time which coincides with the local government elections. Delegating approval to the strategic director will ensure that the contract timelines can be awarded and mobilised for the start date of July 2022 without being interrupted by pre-election or the election.

TUPE/Pensions implications

77. The Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) are likely to apply to this proposed procurement exercise. The appointment of potential suppliers for the existing tree maintenance service could potentially amount to a service Provision Change under TUPE.

78. The extent of the application of TUPE and its implications will depend on a number of factors and will be considered during the proposed procurement exercise. These will be reported in the Gateway 2.
79. TUPE may also apply to any incumbent and new supplier, if that is the outcome of the tender, and in which case may result in the transfer of staff from one supplier to the other and/or their sub-contractors.
80. The procurement project timetable will need to include sufficient timelines to ensure that the council and any affected supplier(s) are able to comply with legal obligations that could potentially arise in respect of TUPE.

Plans for the monitoring and management of the procurement process

81. The project to put the new arrangements in place will be managed by the Parks and Leisure Team with significant input by colleagues from the Waste and Cleansing Team.
82. The project will be monitored by the Tree Project Board consisting of key stakeholders from across the council such as
 - HR
 - Legal
 - Procurement
 - Finance
 - Marketing and Communications
 - Insurance
83. The project board will be reporting progress against key milestones and updating on key risks and issues with recommendation for mitigation to the Tree Sponsorship Group which is chaired by the Strategic Director for Environment and Leisure.
84. The contracts will be let and managed by the Parks and Leisure division.
85. Key performance indicators (KPI's) will be set and challenged to ensure the successful contractor's performance is to the required standard and remains consistently so throughout the life of the contract.
86. Poor performance will be identified early and reported to the Tree Project Board. Strict and swift measures will be included within the contract documentation and specification to make clear the council's expectations on service quality and the implications of not delivering to those standards.
87. The client team will review all applications for payment and monitor and administer defaults and recovery of costs for poor performance.
88. Monthly progress meetings, to be attended by officers will be arranged and recorded to review performance and compliance.

89. Annual performance reviews will be submitted to departmental contract review board (DCRB) and corporate contract review board (CCRB) in line with Contract Standing Orders.

Community, equalities (including socio-economic) and health impacts

Community impact statement

90. As set out under the Equality Act 2010 and the Public Sector Equality duty (PSED) an equalities impact assessment was considered during the development of the service options and is attached as appendix 1. There is no clear, detrimental impact to any group or protected characteristic as outlined in the Equality Act or the PSED.
91. Trees benefit our communities and the environment in a number of ways: improving air quality, reducing urban temperatures through shading and evapotranspiration, mitigating climate change, reducing noise and calming traffic, managing flood risks, supporting biodiversity and improving health and wellbeing. The service options present a framework of delivery to achieve the benefits above, minimising risks to Southwark.
92. A clear determination regarding the service's future direction is likely to have a positive impact on communities. By maintaining a healthy, protected and sustainably managed tree stock the service outcomes will contribute significantly to the health, safety and wellbeing of Southwark residents and visitors.
93. It is recognised that trees must be well maintained to ensure they do not have a detrimental impact on the community. Risks and concerns include: falling trees, obstructed pavements and examples of unreasonable tree related nuisance.

Equalities (including socio-economic) impact statement

94. The Public Services (Social Value) Act 2012 requires that the council considers, before commencing a procurement process, how wider socio economic benefits that may improve the wellbeing of the local area can be secured. The details of how social value will be incorporated within the tender are set out in the following paragraphs.
95. The council expects suppliers to consider the additional benefits of social value to be delivered, this must support the social, economic or environmental well-being of Southwark and its residents and specifically support the delivery of the council's Fairer Future commitments and policies. Key areas of social value commitments include:
- Apprenticeships
 - Job creation
 - Work placement opportunities

- Payment of London Living Wage where appropriate
- Environmental and sustainability considerations including the council's climate change strategy
- Health and wellbeing considerations.

96. Requirement for suppliers to comply with the council's Safer Lorries, Safer Cycling Pledge including the Fleet Operator's Recognition Scheme in line with the council's standards, where appropriate.

Social considerations

97. The successful supplier will be required to demonstrate that they offer their staff and contractors guaranteed hours (and do not employ them on harmful zero hours contracts), they operate an Equal Opportunities Policy, comply with the provisions of the Equalities Legislation and the Employment Relations Act 1999 (Blacklists) Regulations 2010, and make guidance or policy documents concerning how the organisation embeds equality and diversity available to employees / subcontractors, recognised trade unions or other representative groups of employees.

98. An equalities impact assessment has been undertaken (appendix 1). Social considerations are to be built into the process for delivering the recommended option and will be reported in the Gateway 2 reports.

99. However, any supplier appointed would need to:

- guarantee the London Living wage for both its own staff and any subcontractors used
- follow all relevant standard provisions on blacklisting
- follow the standards for financial transactions and payment windows for their entire supply chain
- make every effort to reflect the council's fairer future principle by 'looking after every penny as if it was our own'

100. Apprenticeships/internships

- Suppliers would need to engage with Southwark Council's apprenticeship model.
- There are potential opportunities to introduce apprenticeship schemes in to the in house planting team as part of remodelled provision.
- Apprenticeships can be encouraged with external contractors through the quality assessment criteria of the procurement process.
- New apprenticeships will soon be available at levels 4 and 6 (ABC) for roles in the client team which should be explored in future recruitment processes.

101. Community engagement - Opportunities for community engagement are enhanced through in house delivery of the tree planting programme in terms of consultation, participation, volunteering and education. This approach is

complimentary to broader Southwark employment and climate change initiatives, such as the Green New Deal.

102. Officers will also be working with local tree conservation groups and community tree stakeholders to establish how they might want to be engaged with in relation to the new services and contractors and to develop a mechanism by which they are able to hold the council and contractor accountable in relation to performance. Officers would then look to formalise the outcome of those discussions so that the council can share progress with delivering the Tree Management Policy, progress in terms of tree planting targets and give groups the opportunity to work collaboratively with the council on caring for and protecting the borough's tree stock for the future.

103. Internal staff impacts

- Impacts on the existing workforce will be fully considered at each stage of the Gateway process. This will include a transparent consultation process with both staff and the unions.
- Staff will be supported through the general process to enable individuals to make objective decisions around their future.
- Where applicable, staff will be prepared for a potential TUPE transfer
- Staff will have the opportunity to feed into the design of service arrangements through the transition period.

Economic considerations

104. Fairer Future Procurement Framework and the economic and social benefits to Southwark will be considered and weighted as part of the procurement process and the criteria for award in line with this policy.

105. The council is an officially accredited London Living Wage (LLW) Employer and is committed, to ensuring, where appropriate, contractors and subcontractors engaged by the council to provide works or services within Southwark pay their staff at a minimum rate equivalent to the LLW rate. It is expected that payment of the LLW by the successful contractor for these contracts will result in quality improvements for the council. These should include a higher calibre of staff that will contribute to the delivery of services on site and it is therefore considered that best value will be achieved by including this requirement. It is therefore considered appropriate for the payment of LLW to be required.

106. The successful contractors will be expected to meet LLW requirements and contract conditions requiring the payment of LLW will be included in the tender documents. As part of the tender process, bidders will also be required to confirm how productivity will be improved by payment of LLW. Following award, these quality improvements and any cost implications will be monitored as part of the contract review process.

Health impact statement

107. Southwark's trees are maintained to reduce incidences of predictable failure ensuring a safe environment for its residents, workers and visitors.
108. Trees intercept and remove polluting particulates from the air and sequester and store carbon.
109. Trees are known to contribute positively to people's mental wellbeing and quality of life.
110. Research demonstrates that trees and other green assets can have a positive influence in recovery rates following ill health.

Climate change implications

111. The new contracts will as far as is reasonable work towards delivering on the aims and objectives of the council's Climate Emergency Strategy.
112. The new contracts and service provision will adhere to industry best practice on sustainability and green waste arising from tree maintenance works will be recycled and re-used in the borough whenever possible.
113. The contracts specifications will demand the latest Euro standard engines on new fleet in this contract, and encourage more sustainable forms of transport where this is feasible.
114. Throughout the tender process the appointed suppliers will be required to agree to adhere to the following:
 - not to use single use plastic and to use recycled paper where practical
 - encourage the use of low emission vehicles and the minimisation of journeys
 - report on the suppliers energy use, water consumption and CO2 emissions to ensure the industry standards are adhered to
 - all new equipment will be low energy rated to meet current regulations
 - ensure that all recyclable packaging will be set aside and disposed of via a recycling centre
 - ensure that no hazardous materials will be used
 - Proactively assisting the council achieve its carbon neutral target.

Staffing/procurement implications

115. Resource to deliver this procurement is being contained within existing resources of the Parks and Leisure Team with assistance from the Waste and Cleansing team, legal, finance and procurement teams.
116. In relation to staff members affected by the proposed service changes, Officers leading the transition would seek to maximise support for staff through the process. Examples of support and opportunity include:

- Potential opportunity (for some) to move into the new tree planting team.
- Potential for management enhancement to the existing client team - bringing lived experience of operational work / contract monitoring etc.
- Support to find other opportunities in the Council, if staff do not wish to transfer to transfer (subject to TUPE law etc.).
- For staff that do transfer, ensuring full support through the TUPE transfer process.

Financial implications

117. The future tree service will be funded by both revenue and capital, with the tree works contract and client team funded through revenue budgets, and the tree planting programme funded via capital budgets.

Revenue

118. It is likely that there will continue to be a shortfall in the current revenue budget available currently £1,430,202 per year which will need to be addressed as part of the council's annual budget setting process this winter for the financial year 2022/23 when the external contracts are due to commence.

119. The future additional revenue requirements (estimated to be c. £820k) are based on the anticipated market price for the outsourced provision being in line with estimates, so revenue costs will not become definite until tenders are returned.

120. Although the project may proceed to tendering stage, award of the contract/s will only be done once all the required funding is fully secured. This will be addressed in the council's budget setting process for 2022/23.

121. Staffing and any other costs connected with this contract will need to be contained within existing departmental revenue budgets

Capital

122. Projected annual capital costs to deliver the tree planting programme are £1.12m. This cost includes the staffing costs of the planting team (8 staff and 1 Team Manager) which are capitalised posts at the cost of £430k.

123. The latest approved council's capital programme has a total provision of £4.6m as at April 2021 in "Additional Replacement Tree Planting" project out of which £4.1m is available, this provides for a four year planting programme.

124. The overall expenditure incurred against the capital allocation for the scheme will be monitored and reported as part of the capital programme management.

Investment implications

125. Investment in tree planting equipment and training will be required for the new tree planting team however that will be covered from the capital tree planting budget, see paragraph 123.

Legal implications

126. Please see concurrent from the Director of Law and Governance outlined in paragraphs 139-145.

Consultation

127. Pre engagement has taken place with both tree works team staff members and Unions leading up to the GW0 and leading up to the GW1.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Finance and Governance (FC21/034)

128. This report seeks cabinet to approve the recommendations and the procurement strategy outlined in this report for the borough's tree works programme.
129. The strategic director of finance and governance notes that the capital costs associated with this contract will be contained within the approved departmental capital budgets as detailed in the financial implications.
130. The strategic director of finance and governance notes that based on the current anticipated market price for the proposed outsourced provision of the service, there is an estimated shortfall in revenue budgets of approximately £820k associated with this contract which will need to be addressed as part of the council's annual budget setting process for 2022/23.
131. It is also noted that all required funding will need to be confirmed before the contract is awarded.
132. Staffing and any other costs connected with this contract will need to be contained within existing departmental revenue budgets.

Head of Procurement

133. This report seeks the approval of Cabinet for the procurement strategy of undertaking a competitive tender process to establish a tree maintenance and emergency contract with up to three providers for Southwark's tree stock. The contract period is four years, with an option to extend for an additional period of up to two years. The estimated annual value is £2m, with an estimated total contract cost of £12m for the full term of the contract, estimated to start from July 2022.

134. Cabinet are also asked to approve the establishment of a framework agreement for tree maintenance for a period of four years. The framework will be open for use by all London boroughs from July 2022 as further detailed in paragraphs 59 and 60.
135. Cabinet are asked to note the proposed remodel of the current in-house tree maintenance team as part of the re-shaping of the council tree services.
136. The report sets out in paragraphs 27-30 the recommended options, with external procurement detailed in paragraphs 31-35. The procurement is subject to the Public Contract Regulations 2015 and will be let as a single stage, open procedure. The details of the proposed in-house team are set out in paragraphs 36-40.
137. The plans for the management and monitoring of the contracts once let are set out in paragraphs 81 to 89. London Living Wage would be payable under the contracts as confirmed in paragraphs 105 -106. Social value considerations are to be evaluated for the main Southwark contracts with 10% of the evaluation criteria allocated to this.
138. The Community Impact and Equality Impact Statements are in paragraphs 90-96 with an EQIA report attached to the report as Appendix 1. The Health Impact Statement and Climate Change Implications are in paragraphs 107-114.

Director of Law and Governance

139. This report seeks approval of the procurement strategy for the borough's tree works programme, as detailed within the recommendations in paragraphs 1 and 2. It also seeks approval of a refreshment of the Council's internal tree planting service as detailed at paragraphs 36-40 of the report.
140. Due to the nature, scope and estimated value of the services that the council requires their procurement is subject to the full application of the Public Contracts Regulations (PCR) 2015. As noted in the recommendations it is proposed to conduct a publicly advertised competitive tendering process, both for the purposes of procuring a contract for the delivery of tree maintenance and to establish a framework which can be used by the council (and other London boroughs on payment of an access fee) as necessary, and in particular for mitigating the risk of any service failure and clearing any backlog which may arise from time to time.
141. The proposed procurement process is described from paragraph 46 and meets the requirements of the PCR 2015 and the council's Contract Standing Orders (CSOs).
142. The procurement strategy described is in relation to a strategic procurement as defined in CSOs, which means that the decision to approve the report recommendations is one which is expressly reserved to the Cabinet, after consideration of the report by the corporate contract review board.

143. This report notes the high likelihood that TUPE will apply to the new arrangements for the reasons discussed at paragraphs 77-80. While the full extent of the application of TUPE is unknown at this stage, further detail will be made available for the Cabinet's consideration in the Gateway 2 report.
144. The report notes that sufficient time will be required to ensure the Council and any affected supplier(s) are able to comply with legal obligations that could potentially arise in respect of TUPE.
145. In making procurement decisions Cabinet should be mindful of the Public Sector Equality Duty under section 149 of the Equality Act 2010, and to have regard to the need to (a) eliminate discrimination, harassment, victimisation or other prohibited conduct, (b) advance equality of opportunity and (c) foster good relations between persons who share a relevant protected characteristic and those who do not share it. The relevant characteristics are age, disability, gender reassignment, pregnancy and maternity, race, relation, religion or belief, sex and sexual orientation. The duty also applies to marriage and civil partnership but only in relation to (a). The community impact statement set out from paragraph 90 notes the consideration that has been given to equalities issues and advises that an equality analysis has been undertaken in order to measure the likely and actual effect and impact of the procured services on individuals and groups within the community, in particular those having a protected characteristic under the Act. Cabinet is also referred to paragraph 127 which confirms that affected staff and unions have been consulted about the proposed procurement strategy.

BACKGROUND DOCUMENTS

Background Documents	Held At	Contact
Gateway 0 - Strategic options assessment for the future direction of the tree service	160 Tooley Street, London SE1 2QH.	Julian Fowgies Phone number 0207 525 0225
Arboricultural Services Options Appraisal – Options around future service provision.		
Links (please copy and paste into browser):		
https://moderngov.southwark.gov.uk/documents/s94282/Report%20Gateway%20-%20Strategic%20Options%20Assessment%20for%20the%20Future%20Direction%20of%20the%20Tree%20Service.pdf		
https://moderngov.southwark.gov.uk/documents/s94283/Appendix%20-%20Options%20Appraisal%20-%20March%20Cabinet.pdf		

APPENDICES

No	Title
Appendix 1	Future Direction of Tree Service – Equality Impact Assessment

AUDIT TRAIL

Cabinet Member	Councillor Catherine Rose, Transport, Parks and Sport	
Lead Officer	Toni Ainge, Director of Leisure	
Report Author	Tara Quinn, Head of Parks and Leisure	
Version	Final	
Dated	2 September 2021	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Finance and Governance	Yes	Yes
Head of Procurement	Yes	Yes
Human Resources	Yes	Yes
Director of Law and Governance	Yes	Yes
Contract Review Boards		
Departmental Contract Review Board	Yes	Yes
Corporate Contract Review Board	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team		2 September 2021



Procurement strategy for the tree services - Equality and health analysis

Section 1: Equality analysis details

Proposed policy/decision/business plan to which this equality analysis relates		The procurement strategy for the tree services			
Equality analysis author		Tara Quinn			
Strategic Director:		Caroline Bruce			
Department		Environment & Leisure	Division		Leisure
Period analysis undertaken		August 2021 - ongoing			
Date of review (if applicable)		Spring 2022			
Sign-off		Position		Date	

Section 2: Brief description of policy/decision/business plan

1.1 Brief description of policy/decision/business plan

Background

1. Southwark manages approximately 82,500 trees spanning over 400 species in places such as parks and open spaces, housing estates and highways. In addition, there are approximately 30,000 trees in Southwark which are located on private land and not managed by the council directly.
2. The trees in and around our urban areas are collectively known as the 'urban forest' and are generally recognised and appreciated for their amenity and presence in the cityscape whilst at the same time improving air quality, protecting watercourses, saving energy, improving economic sustainability as well as having many health and wellbeing benefits.
3. In recent years the council has faced challenges around the resources available to manage the tree stock. This, coupled with the council's commitment to planting more trees, led to a review of the overall tree services with the aim of ensuring the council was meeting its statutory duty of care whilst also being responsible custodians of a valued asset in a challenging urban setting.
4. In March 2021 a Gateway 0 report was presented to Cabinet that explored the options available to the council for reshaping the council's tree services.
5. The current tree service is split between two in-house teams and external contractors.
6. The Tree Client Team (Parks and Leisure) six posts including the service manager responsible for;
 - Strategic, policy and risk management
 - Tree governance
 - Tree inspections and specification of works
 - Contracting out tree planting to external contractors
 - Dealing with insurance claims
 - Procurement of external contractor support for additional tree works.
7. The Tree Works Maintenance Team (Waste and Cleansing) 16 posts including the team manager responsible for;
 - Tree surgery
 - Pollarding
 - Felling
 - Waste storage/disposal
 - Stump grinding
 - Emergency response service.
8. The coordination of tree planting is undertaken by the client team and is currently capital funded and uses external specialised contractors via annually let contract arrangements including three year maintenance and aftercare.
9. The council continues to require significant levels of support from external suppliers to deliver the historic and ongoing backlog of tree works due to the limited capacity of the current in house team and the large volume of trees the council is required to maintain. Whilst this work is procured in line with Contract Standing Orders, the nature and length of the contracts means that this approach is not the most cost effective for the council.
10. The outcome of the GW0 report was to outsource the core tree works. The cabinet report recommended the approval of the option to externalise the tree maintenance works whilst retaining a small number of staff within a new tree planting team and the client team.

11. This analysis relates to a competitive tender process to establish tree maintenance and emergency contract(s) with up to three providers for a period of four years with an option to extend for an additional period of up to two years, at an annual estimated total value of £2m, with an estimated total contract cost of £12m for the full term of the contract from July 2022.
12. In addition to the above this analysis also relates to the proposal to establish a framework agreement for tree maintenance for a period of four years that will be open for use by all London boroughs from July 2022.
13. The proposed procurement exercise is not changing the policies that govern how the council manages its tree stock. It is changing how the work that is generated by the operation of those policies is carried out.

Section 3: Overview of service users and key stakeholders consulted

2. Service users and stakeholders	
Key users of the department or service	The tree service does not have users specifically. The proposed procurement is the maintenance works on the trees that can be found across the borough. It is not a service that residents access, book, directly receive etc.
Key stakeholders were/are involved in this policy/decision/business plan	<ul style="list-style-type: none"> • Internal business units <ul style="list-style-type: none"> ○ Parks and Leisure ○ Waste and Cleansing ○ HR ○ Procurement ○ Legal ○ Finance • Cabinet Members

Section 4: Pre-implementation equality analysis

This section considers the potential impacts (positive and negative) on groups with 'protected characteristics', the equality information on which this analysis is based and any mitigating actions to be taken.

The first column on the left is for societal and economic issues (discrimination, higher poverty levels) and the second column on the right for health issues, physical and mental. As the two aspects are heavily interrelated it may not be practical to fill out both columns on all protected characteristics. The aim is, however, to ensure that health is given special consideration, as it is the council's declared intention to reduce health inequalities in the borough. The Public Health Team can assist with research and data.

Age - Where this is referred to, it refers to a person belonging to a particular age (e.g. 32 year olds) or range of ages (e.g. 18 - 30 year olds).
Potential impacts (positive and negative) of proposed policy/decision/business plan
No specific impacts have been identified or raised in relation to this characteristic
Equality information on which above analysis is based
Mitigating actions to be taken;
No mitigating actions are currently required

Disability - A person has a disability if s/he has a physical or mental impairment which has a substantial and long-term adverse effect on that person's ability to carry out normal day-to-day activities.
Potential impacts (positive and negative) of proposed policy/decision/business plan
No specific impacts have been identified or raised in relation to this characteristic
Equality information on which above analysis is based

Mitigating actions to be taken
No mitigating actions are currently required

Gender reassignment - The process of transitioning from one gender to another.
Potential impacts (positive and negative) of proposed policy/decision/business plan
No specific impacts have been identified or raised in relation to this characteristic
Equality information on which above analysis is based.
Mitigating actions to be taken
No mitigating actions are currently required

Marriage and civil partnership – In England and Wales marriage is no longer restricted to a union between a man and a woman but now includes a marriage between a same-sex couple. Same-sex couples can also have their relationships legally recognised as 'civil partnerships'. Civil partners must not be treated less favourably than married couples and must be treated the same as married couples on a wide range of legal matters. (Only to be considered in respect to the need to eliminate discrimination.)
Potential impacts (positive and negative) of proposed policy/decision/business plan
No specific impacts have been identified or raised relating to marriage and civil partnerships
Equality information on which above analysis is based

Mitigating actions to be taken
No mitigating actions are currently required

Pregnancy and maternity - Pregnancy is the condition of being pregnant or expecting a baby. Maternity refers to the period after the birth, and is linked to maternity leave in the employment context. In the non-work context, protection against maternity discrimination is for 26 weeks after giving birth, and this includes treating a woman unfavourably because she is breastfeeding.
Potential impacts (positive and negative) of proposed policy/decision/business plan
No specific impacts have been identified or raised in relation to this characteristic
Equality information on which above analysis is based
Mitigating actions to be taken
No mitigating actions are currently required

Race - Refers to the protected characteristic of Race. It refers to a group of people defined by their race, colour, and nationality (including citizenship) ethnic or national origins. N.B. Gypsy, Roma and Traveller are recognised racial groups and their needs should be considered alongside all others
Potential impacts (positive and negative) of proposed policy/decision/business plan
No specific impacts have been identified or raised in relation to this characteristic
Equality information on which above analysis is based

Mitigating actions to be taken
No mitigating actions are currently required

Religion and belief - Religion has the meaning usually given to it but belief includes religious and philosophical beliefs including lack of belief (e.g. Atheism). Generally, a belief should affect your life choices or the way you live for it to be included in the definition.
Potential impacts (positive and negative) of proposed policy/decision/business plan
No specific impacts have been identified or raised in relation to this characteristic
Equality information on which above analysis is based
Mitigating actions to be taken
No mitigating actions are currently required

Sex - A man or a woman.
Potential impacts (positive and negative) of proposed policy/decision/business plan
No specific impacts have been identified or raised in relation to this characteristic
Equality information on which above analysis is based
Mitigating actions to be taken

No mitigating actions are currently required.

Sexual orientation - Whether a person's sexual attraction is towards their own sex, the opposite sex or to both sexes

Potential impacts (positive and negative) of proposed policy/decision/business plan

No specific impacts have been identified or raised in relation to this characteristic

Equality information on which above analysis is based

Mitigating actions to be taken

No mitigating actions are currently required.

Socio-economic disadvantage – although the Equality Act 2010 does not include socio-economic status as one of the protected characteristics, Southwark Council recognises that this continues to be a major cause of inequality in the borough.
Socio economic status is the measure of an area's, an individual's or family's economic and social position in relation to others, based on income, education, health, living conditions and occupation.

Potential impacts (positive and negative) of proposed policy/decision/business plan

No specific impacts have been identified or raised in relation to this characteristic

Equality information on which above analysis is based

Mitigating actions to be taken

No mitigating actions are currently required

Human Rights

There are 16 rights in the Human Rights Act. Each one is called an Article. They are all taken from the European Convention on Human Rights. The Articles are The right to life, Freedom from torture, inhuman and degrading treatment, Freedom from forced labour, Right to Liberty, Fair trial, Retrospective penalties, Privacy, Freedom of conscience, Freedom of expression, Freedom

of assembly, Marriage and family, Freedom from discrimination and the First Protocol
Potential impacts (positive and negative) of proposed policy/decision/business plan
The procurement of external tree works contract(s) will have no impact on the Articles that are set out in the Human Rights Act.
Information on which above analysis is based
Mitigating actions to be taken
No mitigating actions are currently required

Section 5: Further actions and objectives

5. Further actions			
Based on the initial analysis above, please detail the key mitigating actions or the areas identified as requiring more detailed analysis.			
Number	Description of issue	Action	Timeframe
1	EQIA update	Review and update the EQIA document at GW2 stage should the GW1 proposal be approved.	Spring 2022
2			
3			

5. Equality objectives (for business plans)				
Based on the initial analysis above, please detail any equality objectives that you will set for your division/department/service. Under the objective and measure column please state whether this objective is an existing objective or a suggested addition to the Council Plan.				
Objective and measure	Lead officer	Current performance (baseline)	Targets	
			Year 1	Year 2

5. Health objectives (for business plans)				
Based on the initial analysis above, please detail any health objectives that you will set for your division/department/service. Under the objective and measure column please state whether this objective is an existing objective or a suggested addition to the Council Plan.				
Objective and measure	Lead officer	Current performance (baseline)	Targets	
			Year 1	Year 2



Item No. 16.	Classification: Open	Date: 14 September 2021	Meeting Name: Cabinet
Report title:		Refresh of the Regulatory Services Enforcement Policy and the Private Sector Housing Enforcement Policy	
Ward(s) or groups affected:		All wards	
Cabinet Member:		Councillor Darren Merrill, Safer, Cleaner Borough	

FOREWORD – COUNCILLOR DARREN MERRILL - CABINET MEMBER FOR A SAFER, CLEANER BOROUGH

Southwark Council is firmly committed to drive up standards via our regulatory services. This paper sets out how enforcement action will be conducted across the services, giving a clear understanding for businesses and residents from what is expected of them and what they can expect from us.

This report also sets out the regulatory framework for private rented sector housing and our enforcement powers. We have a clear responsibility to deal with poor quality housing in Southwark. Our use of enforcement is designed to be fair to responsible landlords, however it should also be capable of dealing with uninformed or rogue landlords to ensure that all homes are in good condition.

RECOMMENDATIONS

1. That Cabinet approve the Regulatory Services Enforcement Policy as set out in Appendix 1.
2. That Cabinet approve the Private Sector Housing Enforcement Policy as set out in Appendix 2.

BACKGROUND INFORMATION

3. The Council have in place a Regulatory Services Enforcement Policy which sets out how enforcement action will be conducted across the following services:
 - Community Wardens, Environmental Enforcement, CCTV and the Divisional Analytical Business Service (DABS)
 - Trading Standards, Health & Safety, Food Safety and Environmental Protection
 - Private Sector Housing Enforcement
 - Noise & Nuisance, Licensing and the Southwark Anti-Social Behaviour Unit

4. Each Business Unit Manager is the officer responsible for their specific service area, which may include the production of service specific enforcement policies that deal with the statutes and requirements in that unit's area of responsibility.
5. The Private Sector Housing Service is one of the areas with a requirement for a service specific policy, and, because it has been reviewed at the same time as the Regulatory Services Enforcement Policy, it has been brought to Cabinet for consideration, at the same time.
6. The Enforcement Policies of the Council are based on the principles of the Regulators' Code. The Code aims to improve consistency in the way regulation is delivered at the front line nationally. It sets out a clear framework for transparent and accountable regulatory delivery and establishes clear principles for how local authorities should interact with those they are regulating. The Code is underpinned by the statutory principles of good regulation, which require that regulatory activities should be carried out in a way which is transparent, accountable, proportionate and consistent, and should be targeted at cases where formal action is required to provide resolution for the public.
7. These Enforcement Policies should be reviewed and amended as necessary in 5 years as a maximum, or whenever there are substantial changes in policy, statute, or guidance if they occur before the 5 year review date.

KEY ISSUES FOR CONSIDERATION

Regulatory Services Enforcement Policy

8. The Regulatory Services Enforcement Policy, approved by Executive Committee on 13 February 2007, has been reviewed, updated, and expanded to ensure it remains up to date and reflects current policy, statute, and guidance. The changes to the policy are not substantial. The recommendation for how the services enforce legislation has remained the same, whilst there have been updates to the legislation and guidance referred to. The reviewed policy is set out at Appendix 1. The revised Policy now includes sections covering:
 - a. Licences, permits, agreements and the interplay with the Provision of Services Regulations 2009.

This will help understanding of how the Council approaches its duties with regards to its permitting and licensing role, in terms of determination, issuing, refusal or termination. The Provisions of Services Regulations set out where a certain activity would be considered a 'service' and the enforcement requirements that the service has to comply with. The majority of licensing activities are considered 'services' and, as such, have to adhere to these requirements, e.g. how services should be paid for, how tacit consent applies, etc.

The individual services enforcement policies, which sit under the more wide ranging Enforcement Policies provide far greater detail on the specific processes that apply in that instance.

b. The use of Financial Penalty powers.

The use of financial penalties, either as a direct sanction for certain breaches, or as an alternative to prosecution for certain offences, have become far more prevalent. Often the relevant statute will require that the Council to put in place statements, policies etc., which set out the approach to their use and how the value of a penalty is arrived at. Where penalties are part of the tools available to the individual services, their specific enforcement policy provides far greater detail on the relevant processes.

c. Injunctive actions/orders – which also includes the application of these on minors.

This is where the Council may, or are required to apply them to the relevant court or tribunal for an injunction or order. An example would be an application to the court for a Criminal Behaviour Order, which if granted, would require an individual (including minors) to cease certain activities considered to be anti-social.

The use of these types of injunctions/orders is, on occasion, available to multiple services, for example an application for a Restraining Order under the Proceeds of Crime Act 2002. This, if granted, would secure assets where there is a risk of them being disposed of or dissipated in advance of the Crown Court agreeing a Confiscation Order (when assets have been obtained via criminal activity). Therefore, the Regulatory Services Policy provides detail on the availability of, and approach to, this type of action. Where an application for an order is service specific, e.g. a Rent Repayment Order, which allows the Council and/or private tenants to apply for the repayment of up to 12 months' rent in certain circumstances, the individual service's enforcement policies provide greater detail on the process that applies in that case.

d. Time Limited, Event Specific Powers.

This section covers temporary powers given to the Council to manage and control certain events, in terms of arrangements, implementation, monitoring and management. An example of this would be the powers used to control coronavirus infection during the COVID-19 pandemic.

e. Byelaws.

This section covers the use of byelaws in Southwark and the process used to adopt them. The specific byelaws utilised are covered in the service specific policies, for example the byelaw preventing the use of power-driven model aircraft in Southwark parks and open spaces.

f. Appealing enforcement decisions & complaints against services.

This section provides information on how the Council will ensure recipients of enforcement action are made fully aware of their rights to appeal and representation (where available). It also clarifies the distinction between making an appeal and complaining about the conduct of an officer or service.

g. How investigations are to be conducted.

This section gives clarity on the Council's approach to investigations and the laws and guidance it will adhere to.

h. Publicising enforcement actions.

It is important to ensure that offenders and potential offenders are dissuaded from either committing an offence or further offences. Therefore, the publication of enforcement activity and its outcomes are especially useful tools that can act as a deterrent to breaking the law.

The Policy provides clarity on the Council's adherence to the relevant statute and guidance, including data protection principles.

i. Maintaining Public Registers.

Certain statutes require the Council to maintain public registers or to add information to public registers kept by others, an example of this would be the register of licensed residential property. The Policy seeks to highlight these responsibilities generally whilst individual service policies will provide greater detail on the processes involved.

j. How Council Officers are authorised to carry out their duties.

It is important to ensure that the public knows how the Council approaches the authorisation of officers, in terms of which roles are authorised to do what enforcement, and how the Council makes sure officers are competent and properly trained for their specific roles. The Policy goes further and also sets out what a member of public can/should expect when an Officer of the Council identifies themselves and explains their authority.

k. Existing Protocols with other enforcement agencies.

In certain circumstances other internal or external partners will be able to utilise the same legislation in the provision of its services, particularly where there are dual enforcement roles, e.g. fire safety requirements. In order to accommodate these activities, the Council may, in partnership, agree protocols that set out how activities will be approached, separated and delegated.

9. If and when approved the Enforcement Policy will be published on the Council's website. The Regulatory Services Enforcement Policy and the service specific policies taken together inform all enforcement activity undertaken by the suite of services delivered by Regulatory Services.

The London Borough of Southwark's Private Sector Housing Enforcement Policy

10. The Private Sector Housing Enforcement Policy is a new policy. It builds on the Regulatory Services Enforcement Policy, also included in this report, where it relates to the Council's enforcement functions for Private Sector Housing.
11. The policy is created in line with the specific service policies for; Civil Penalties (under the Housing and Planning Act 2016) and prosecutions for offences under the Housing Act 2004 (approved at Cabinet on 22 January 2019) as well as, fixed penalty notices under the Smoke and Carbon Monoxide Detector Regulations 2015 (approved at Cabinet on 1 February 2019). It brings in changes and updates that reflect the current regulatory environment for private sector housing, including further references to the Housing and Planning Act 2016 which enables the Council to apply for Banning Orders against rogue landlords operating in the borough.
12. In particular, the proposed new policy is essential for the following:
- To underpin enforcement activity to address serious or significant fire hazards in high and medium rise residential buildings in relation to cladding systems (as set out in the addendum to the Housing Health & Safety Rating System (HHSRS) under the Housing Act 2004).
 - Provide the regulatory scaffolding required for successful property licensing. Proposals to introduce property licensing in a variety of forms (additional HMO and Selective Licensing schemes) across the Borough are underway.
13. The policy is set out at Appendix 2. The main areas covered are:
- a. How enforcement information is shared, in particular covering the and [the national database of rogue landlords and property agents](#)
 - b. The duty to maintain public registers, register of licensed property, register of temporary exemptions, and register of management orders.
 - c. How and why enforcement action can be targeted.
 - d. The management and enforcement of property licensing, covering:
 - Mandatory and discretionary licensing regimes.
 - The licensing process including, the fit and proper person assessment, licensing conditions, rental standards, and the duration of licences.
 - Licensing fees and other charges.
 - How tacit consent will be applied.
 - Variations and revocations of licences.
 - Licence renewals.
 - Where applicable, how licences from previous schemes will be transferred to any new and future approved schemes.

- e. The application of management regulations in Houses in Multiple Occupation (HMOs).
- f. Where and when Management Orders might be employed.
- g. How a property that is overcrowded will be assessed and enforced.
- h. The service role in tackling anti-social behaviour.
- i. How the Service uses the [Housing, Health and Safety Rating System \(HHSRS\)](#) to assess housing standards in residential property. Where the assessment results in a Category one hazard (a severe hazard affecting health and/or safety) the Council has a duty to intervene. Where the assessment results in a Category two hazard (a serious hazard affecting health and/or safety) the Council has a power to intervene. The Policy therefore sets out the criteria the Service uses to determine where it will intervene when a Category two hazard is assessed.
- j. The types of enforcement action available to the Service, either in general, e.g. prosecution, simple cautions, etc. or specific to housing standards, e.g. emergency powers to intervene where there is an imminent risk to health and/or safety, etc.
- k. How the use of certain enforcement action can help prevent retaliatory evictions and the process that has to be followed.
- l. How the Service will intervene where the rental property is owned/managed by a Registered Provider (housing association) and why the service deals with this differently.
- m. The use of powers to do works in default, which is where the Council can do the works they have required where the recipient of a formal legal notice has failed to comply.
- n. Where the Service will use Rent Repayment Orders (RROs) and how they will assist private paying tenants to apply for an RRO. This is an order that can be applied for to have up to a year's rent paid back where the landlord has committed certain housing offences.
- o. The Policy sets out the Service's approach to the use of financial penalties in relation to certain housing related offences and the breach of specific regulations, i.e. regulations dealing with smoke and carbon monoxide detectors and electrical installation safety.
- p. The Policy sets out the relationship it has with the Fire and Rescue Authority in tackling fire safety standards where there is a dual enforcement role.
- q. The Policy also reflects the other roles of the service in terms of the public health activities relating to:
 - Private drainage and sewerage issues, e.g. blocked and broken sewers.
 - Nuisance issues between properties, e.g. damp ingress from a neighbouring property.
 - Pest and pest harbourage problems, e.g. infestations and accumulations that may attract pests.
 - Filthy and/or verminous premises, e.g. a home that has build-up of items that may present a risk to health.
 - Officers will oversee exhumations to ensure public health and the dignity of human remains are protected.
 - Securing premises to prevent entry/use to protect public health.

14. If approved, the Policy will be published on the Council's website. Along with the Regulatory Services Enforcement Policy. It will inform all enforcement activity undertaken by the Private Sector Housing Unit.

POLICY FRAMEWORK IMPLICATIONS

Southwark's Fairer Future Commitments

15. The content of the Enforcement Policies support a number of the themes that form Southwark's Fairer Future Commitments:

Theme 1 - COVID-19 response

All services within Regulatory Services have roles in the Council's response to the COVID-19 pandemic, some more than others. The enforcement policies used within this suite of services underpin the approaches and powers available minimising any ambiguity around how statutory roles and powers will be used, especially the temporary powers available to enforce COVID-19 restrictions.

Unit Managers have and will review their work in relation to the effects of this pandemic. An example of this is within the work of the PSH Service, where a new condition attached to licences requires the licence holder to respond appropriately to infectious outbreaks within HMOs, be that in response to an outbreak in the home, locally, nationally, or internationally.

Theme 2 - Southwark Stands Together

The work of the services within the umbrella Regulatory Services are, at their heart, based on the protection of communities, residents, and visitors, protecting the various environments within the borough, and supporting businesses. The enforcement policies help minimise the possibility of discrimination as they set out the basis on which enforcement action will be taken and how action will be targeted. The Regulators Code underpins these policies and reinforces the concept that enforcement must and will be reasonable and proportionate. This acts as a guide and as a set of principles that Council enforcers must adhere to and, as they are published, will be transparently available to the public.

Theme 3 - A green and inclusive economy

Another underpinning principle of the services within the umbrella Regulatory Services is to support businesses. Robust and consistent enforcement of standards in business operations scaffolds this support by providing a level playing field for all business operators and the commitment to drive out rogue and criminal business operators.

Theme 4 - Climate Emergency

Unit Managers have and will review their work in relation to the declaration of the 'climate emergency'. Wherever possible responding positively to the climate emergency will underscore the work of the

services within the umbrella of Regulatory Services. An example of this is minimising the effects of fuel poverty when enforcing standards in the private housing sector.

Theme 5 - Tackling health inequalities

The work of the services within the umbrella Regulatory Services are, at their heart, based on the protection of communities, residents, and visitors, protecting the various environments within the borough, and supporting businesses. There are a number of roles within Regulatory Services that have a direct impact on reducing health inequalities, such as enforcing housing standards to make homes safe, minimising ASB and noise nuisance, improving health, providing healthy homes, maintaining healthy outside environments and safe play spaces, etc.

Theme 6 - Homes for all

There are a number of roles within Regulatory Services that impact this agenda, such as enforcing housing standards to make homes safe, minimise ASB and noise nuisance, improve health and provides healthy homes. These roles deter and minimise the impact of rogue, ASB and criminal activity.

Theme 7 - A great start in life

Human brains are designed to develop a danger bias. A child growing up in safety, rather than stress and danger, assists the creation of brains that expect safety. This provides them with the mental capacity to grow and thrive in an environment conducive to good educational and social development and to value cooperative working. Enforcing standards and dealing with unacceptable behaviours by Regulatory Services significantly contribute to this theme. A healthy home, safe and nutritious food, living without fear in your community, having safe outside spaces and play spaces, safe places to work, etc. all help maximise the opportunities to give individuals a great start in life.

Theme 8 - Thriving neighbourhoods

Promoting and enforcing acceptable behaviours, making sure standards are maintained, outside spaces are safe and free of hazards and business activity is regulated, all contribute to creating and supporting communities and neighbourhoods that are safe, prosperous, and inclusive.

Community impact statement

16. The policies as proposed will have a positive impact on the wider community, as it is recognised that an increase in compliant activity across the suite of services sitting under the umbrella of Regulatory Services, be that environmental, neighbourhoods, residential or commercial are all linked to improved communities, tackling climate change, reducing crime, improved educational attainment, better health and increased safety.

Equality impact statement

17. These enforcement policies set out the how services will intervene to ensure standards are maintained and health and safety protected. They provide a transparent template of intervention which, will give people a set of policies to point to when choosing a home and confidence in approaching their landlord for improvements to their existing home regardless of age, disability, gender, race, sexuality etc. This will lead to greater community stability, better homes and better business.
18. Equally, laying out in policy how the Services will approach enforcement, helps ensure those subject to intervention are treated reasonably, proportionally, fairly and without discrimination in relation to their age, disability, gender, race, sexuality etc.
19. Where perceived impacts on specific groups have been identified, these are addressed within the policies and within the working practices of the services provided.
20. The Equalities Impact Assessment for the policies is set out at Appendices 3 & 4.

Health Impact Statement

21. The overriding aim of the Regulatory Services division is to 'protect and enhance the safety, health and economic welfare of Southwark's communities through effective strategic planning, prevention, early intervention, enforcement and reassurance'. Enforcement policies provide the framework for actioning the aims and support the key objectives of a range of services that have an overwhelmingly positive impact on public health. These objectives are to:
 - Keep consumers safe
 - Control noisy neighbours and anti-social individuals to improve the quality of life for residents
 - Address environmental crime and strategically protect the local environment
 - Ensure local businesses, both on our high streets and on line, operate within the law and are safe places for residents to work, shop, eat and spend their leisure time
 - Regulate private landlords and respond to planning applications to ensure residents live in safe and healthy accommodation
 - Manage highway networks, parking and street and market traders.
22. All of the activities and services listed above impact positively on public health and wellbeing.

Climate Change Implications

23. Not all of Regulatory Services investigative work streams and remedial enforcement actions relate to climate change directly, however, several work

streams are strongly linked to controlling atmospheric emissions and the energy efficiency of buildings. These include:

- Statutory control of nuisance emissions of smoke, odour, dust and fume (Noise & Nuisance)
 - Local air quality management and the improvement of air quality (Environmental Protection working with other service areas across the council through the air quality improvement strategy and action plan)
 - Development control conditions to mitigate emissions to air from new builds (Environmental Protection)
 - Construction emissions (Environmental Protection)
 - Contaminated and gassing land – methane (Environmental Protection)
 - Emissions from commerce, industry, commercial kitchens and road tunnels (Environmental Protection, Food Safety & Network Management)
 - Parking controls (Parking)
 - Highways changes, traffic controls, cycle lanes, low traffic neighbourhoods, school streets, street greening, etc. (Network Management, Parking & Environmental Protection – working with Highways and Transport Planning)
 - Home insulation standards (Private Rented Sector Housing Enforcement)
 - Construction materials standards (Trading Standards)
 - Commercial waste disposal control (Environmental Enforcement)
24. Rigorous and up to date Regulatory Services enforcement policies are, therefore required to enable the above legislative controls to be used to reduce emissions, protect local air quality and contribute positively to reducing the risks from climate change regionally, nationally and internationally. As with all enforcement actions any action undertaken by Regulatory Services, relating to Climate Change are monitored and reported on.

Financial Implications

25. There are no other financial implications, other than Officer time, to effect the recommendations which will be contained within existing departmental revenue budgets.
26. The Policies set out a robust framework by which the Council will carry out its enforcement action. These therefore underpin the variety of enforcement work that can lead to revenue generation, such as the imposition of financial penalties, the collection of permit and licensing fees and a variety of other charges the Council can make. Some of these revenue streams are relatively minor whilst others are substantial and significant.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Head of Procurement

27. N/a

Director of Law and Democracy

28. When considering the recommendations of this report, due regard must be given to the public sector equality duty in section 149 of the Equality Act 2010. This requires the Council to consider all individuals when carrying out its functions.
29. Importantly, the Council must have due regard to the need to eliminate discrimination, harassment, victimisation, or other prohibited conduct; advance equality of opportunity and foster good relations between people with protected characteristics and those who do not. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. The public sector equality duty also applies to marriage and civil partnership, but only in relation to the need to eliminate discrimination, harassment, victimisation, or other prohibited conduct. Cabinet members are referred to the community impact statement in the report.
30. The Legislative and Regulatory Reform Act 2006 ('the Act') provides that regulatory activities should be carried out in a manner which is transparent, accountable, proportionate and consistent and that they should be targeted only at cases in which action is deemed necessary. The Council as a Regulator must have regard to the Regulator's Code when determining any general policy or principles by which it exercises its regulatory functions and the Enforcement Policy must comply with the Code.
31. Enforcement decisions are made on a case by case basis by the enforcement officer and ultimately with the Director of Law and Governance in respect of prosecutions on the basis of the relevant evidence, the public interest and any other factors applicable at the time and taking into account the Code and the Code for Crown Prosecutors.
32. Adopting the Enforcement Policies will be considered best working practice and will assist the Council to demonstrate that it has regard to the Code. If the Council fails to prepare and publish such a policy the Council will be open to criticism, in particular from those parties whom the Council seeks regulatory compliance. Further, the Council will face greater difficulty in justifying regulatory action and responding to challenges about the way it has reached regulatory decisions which could lead to a failure to achieve compliance, complaints to the Local Government and Social Care Ombudsman, judicial review and an increased risk of legal challenge to any civil and/or criminal proceedings instituted by the Council as well as reputational damage.
33. By preparing and publishing these policies, the Council demonstrates that it takes its regulator role seriously and that it will work with businesses and the community to secure compliance. It creates transparency for all stakeholders providing the manner in which the Council intends to operate through promoting consistency and proportionality in all aspects of regulation. It further

provides the Council with a basis for a robust defence to any challenges that may be encountered.

Strategic Director of Finance & Governance

34. The strategic director of finance and governance notes the recommendations to Cabinet to approve the Regulatory Services Enforcement Policy as set out in Appendix 1.
35. The strategic director of finance and governance also notes the recommendations to approve the Private Sector Housing Enforcement Policy as set out in appendix 2.
36. It is noted that there are no other financial implications other than Officer time to affect the recommendations, which will be contained within existing departmental revenue budgets.

BACKGROUND DOCUMENTS

Background Documents	Held At	Contact
Housing Act 2004		
Link: Housing Act 2004 (legislation.gov.uk)		
Housing and Planning Act 2016		
Link: Housing and Planning Act 2016 (legislation.gov.uk)		
Housing Act 2004		
Link: Housing Act 2004 (legislation.gov.uk)		
Housing Act 2004		
Link: Housing Act 2004 (legislation.gov.uk)		
Housing Strategy (London Borough of Southwark – 2020 to 2043)		
Link (copy and paste into browser): http://moderngov.southwark.gov.uk/documents/s92380/Appendix%20A%20-%20Southwark%20Housing%20Strategy%202020.pdf		
London Borough of Southwark - Council Plan 2018 – 2022		
Link: Southwark's Borough Plan - Southwark Council		
Provision of Services Regulations 2009		
Link: The Provision of Services Regulations 2009 (legislation.gov.uk)		
Regulators Code		
Link: Regulators' Code - GOV.UK (www.gov.uk)		
Human Rights Act 1998		
Link: Human Rights Act 1998 (legislation.gov.uk)		
The Code for Crown Prosecutors		
Link: The Code for Crown Prosecutors The Crown Prosecution Service (cps.gov.uk)		

APPENDICES

No.	Title
Appendix 1	The London Borough of Southwark Regulatory Services Enforcement Policy
Appendix 2	The London Borough of Southwark Private Sector Housing Enforcement Policy
Appendix 3	Equalities Impact Assessment – Regulatory Services Enforcement Policy
Appendix 4	Equalities Impact Assessment – Private Sector Housing Enforcement Policy

AUDIT TRAIL

Cabinet Member	Councillor Darren Merrill, A Safer, Cleaner Borough	
Lead Officer	Caroline Bruce, Strategic Director - Environment and Leisure	
Report Author	Sarah Newman – Commercial Compliance Services Manager & Emma Trott – Private Sector Housing Enforcement Manager, Regulatory Services	
Version	Final	
Dated	3 September 2021	
Key Decision	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Director of Law and Democracy	Yes	Yes
Strategic Director of Finance and Governance	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team		3 September 2021

Item No. 17.	Classification: Open	Date: 14 September 2021	Meeting Name: Cabinet
Report title:		Response to the Education and Local Economy Scrutiny Commission: Review of Approach to Equality And Adoption of The Equality Framework	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Alice Macdonald, Equalities, Neighbourhoods and Leisure	

FOREWORD - COUNCILLOR ALICE MACDONALD, CABINET MEMBER FOR EQUALITIES, NEIGHBOURHOODS AND LEISURE

I'd like to thank Councillor Babudu and the members of the education and local economy scrutiny commission for their report and recommendations. Embedding equalities into everything we do is a huge priority for the council and must be the responsibility of everyone.

I welcome the recommendations put forward by the commission. Many of these will be taken forward through the new equalities framework agreed by cabinet in July from improving equalities data to improving transparency around the assessment of our equalities impact. I also thank Cllr Babudu for his input into the equalities framework – a specific recommendation made by the commission.

This report also references the work carried out under the Southwark Stands Together programme to tackle racism and the recently published annual report. Whilst we have made progress there still remains a huge amount to do and we are committed to continuing to work with communities across Southwark to tackle racism and discrimination in all its forms.

I look forward to continue to engage with the commission to ensure continued scrutiny of our work to advance equalities.

RECOMMENDATIONS

1. That cabinet notes the recommendations made by the education and local economy scrutiny commission and agrees the response set out in this report.
2. That officers act upon the response agreed by cabinet as part of the implementation of the Southwark Equality Framework.

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.
7. The commission's recommendations were reported to cabinet in June 2021 and are set out below.
8. On 13 July 2021 cabinet agreed the Southwark Equality Framework and an action plan for implementing it.
9. The framework:
 - Sets out eight equalities objectives, which demonstrate specific areas where we are tackling inequality and promoting equality which will enable our communities to hold us better to account.
 - Strengthens our equality governance to enable effective leadership and organisational wide sharing of good practice and consistency. This includes the establishment of a new equalities advisory group, an internal senior level officer-working group and a commitment to strengthening external networks.
 - Reaffirms our commitment to put communities at the heart of all our decision making ensuring that equality analysis is informing all of our work and that the voices of everyone including the most vulnerable and marginalised are heard.
 - Sets out a clear pathway to enable us to strengthen our data, evidence and research on inequalities and the needs of our communities so we are making the best decisions with the best information and delivering appropriate and relevant services able to meet the diverse needs of local communities.

- Develops a more robust process for equality impact and needs analysis, equality proofing procurement and commissioning to find out about and respond to the needs of diverse service users so our services work for our communities. This will include undertaking a full 360 equality audit which will be scrutinised by elected members, staff and community/voluntary sector stakeholders.
10. At the same meeting cabinet also agreed the annual report on Southwark Stands Together (SST). SST was set up in July 2020 in the midst of the first wave of the COVID-19 pandemic and in response to the murder of George Floyd in Minneapolis and the Black Lives Matter movement. SST is our local call to unity, support and action. It is about how we take positive action as a council to work with Southwark's communities and the council's staff to tackle racism, injustice and inequality.
 11. The annual report sets out progress and achievement of the SST over the last year, including good practice and learning from the programme and next steps planning.
 12. In noting the annual report cabinet considered this in tandem with the Southwark equality framework using it as an opportunity to assess progress against borough plan commitments and SST priority recommendations.
 13. The SST annual report set out the listening and learning that we have undertaken over the past year to inform how we remodel how we engage with communities and improve our approach in reporting back on progress on our work to tackle and address inequalities. Following agreement of this report, alongside the equality framework (elsewhere on the agenda), officers are taking forward next steps to develop a plan for regular reporting to the community on work to tackle inequalities. This includes building on good practice underway such as progress in collecting more lived experience examples across the council, for example through the health theme where we have reached out through our Community Health Ambassadors. Our 'Breaking the Glass Ceiling' project will also hear and learn more about the lived experience of our community in Peckham Square.

KEY ISSUES FOR CONSIDERATION

14. Set out below are the recommendations of the education and local economy scrutiny commission in respect of equalities issues together with a proposed response. As noted above the work of the Scrutiny Commission informed the development of the Southwark Equality Framework alongside input from other stakeholders. The commission will continue to play an active part as the Framework is delivered.

Recommendation 1 - Data

15. 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).

Proposed Response

16. This recommendation is agreed and included in the Action Plan that commits the council to developing a communications plan to update our information on equality, diversity and inclusion including as an initial stage ensuring data on our population is accessible and shared on our website. Our Southwark Stands Together programme also commits us to sharing data with community and voluntary sector partners. The Action Plan commits to producing the communications plan by the end of September 2021.
17. The Framework and Action Plan also includes conducting a council wide mapping of equality data by December 2021.
18. We will work with our voluntary and community sector partners on developing our knowledge and understanding of areas where data is not readily available, tapping into their knowledge or particular protected characteristics or communities.
19. Southwark Stands Together commits us to collecting ethnicity data for all people using council services and we have set a target to achieve 70% completion (the minimum threshold for reporting and interpretation of self-declared diversity information advised by the Equalities and Human Rights Commission) by 2022-23. By capturing more ethnicity data, we can make sure that we are better able to identify problems and target services based on people's needs. Capturing more ethnicity data will also help us to do more to make sure that everyone in our community has equal access to services and will help to expose and tackle any inequalities that may exist in the quality of services received.

Recommendation 2 - Reporting

20. 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.

Proposed Response

21. An initial benchmarking exercise was conducted as part of the production of the Framework and informed its development.
22. The Equality Audit will also use the Equality Framework for Local Government benchmark of good practice for local government as a self-assessment framework and tool to assess what currently LBS has in

place, areas of good practice and identify further gaps to address these.

Recommendation 3 - Reporting

23. The Commission recommends the draft equalities framework is submitted to the Education and Local Economy Commission for comment once it is substantially drafted.

Proposed Response

24. Comments were received and incorporated in the final version of the Framework.

Recommendation 4 - Reporting

25. 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.

Proposed Response

26. The Framework and action plan includes implementation of the equality audit. The audit will consist of an initial self-assessment completed in December 2021 with a 360 degree appraisal completed in June 2022 including external input.
27. The Framework strengthens our approach in four key ways:
- Embedding it into the council's performance management framework – setting out clear equality objectives against which progress can be measured
 - Establishing a member led equality advisory group that also includes external representation to oversee implementation
 - Strengthening officer governance through a senior level officer group to provide officer oversight
 - Strengthened external networks for scrutiny, consultation and engagement forming the core of a multiagency partnership that will meet annually to review an annual partnership equality report and input to the next year.
28. The equality framework commits us to annual reporting on progress to the community and we will deliver an annual conference with the community, where we will report back on delivery, showcase success and challenge ourselves and each other on where we need to go further together in delivering our commitments.

Recommendation 5 - Capacity-building and capacity-identifying

29. 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

Proposed Response

30. The Southwark Equality Framework and Action Plan includes conducting a council wide mapping of equality data by December 2021.
31. In terms of proactive work in this area Southwark Stands Together commits us to strengthening how we engage, working in partnership with a range of organisations including the Consultation Institute. We will be working on making better use of Equality Impact and Needs Analysis throughout engagement processes and developing a more consistent approach to data collection to ensure our consultation and engagement extends its reach. Through this work there has already been progress for example collecting data on over 1,000 businesses that identify as minority ethnic so we can involve and consult with them and in producing a toolkit with the community to broaden the reach of our engagement and the establishment of A Culture, Health and Wellbeing Partnership to capture diverse and seldom heard voices.

Recommendation 6 - Capacity-building and capacity-identifying

32. 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.

Proposed Response

33. Agreed the Cabinet member has met representatives of the Business Improvement Districts. The Cabinet Member for Jobs, Business and Town Centres currently has regular meetings with all Southwark BIDs every two weeks. These meetings have led to enhanced dialogue with the council on a range of issues including economic renewal, town centres and high streets and other key areas of joint interest e.g. carbon reduction and equalities issues.
34. As noted above the local economy team are working with existing community and business networks to understand and tackle whatever

barriers to collecting ethnicity data that people in our community may have. We will also explore new networks highlighted in the Equinox review of grants and funding to help us understand people's views. For example, we will make sure that people understand that ethnicity information is confidential and non-attributable to individuals.

35. With the leadership of the Cabinet Member for Jobs, Business and Town Centres, town centre task forces are being established to develop action plans for our town centres and high streets in partnership with a wide range of local businesses and residents groups.
36. The Local Economy Team are currently engaging with a representative sample of our communities to help design our business support services. For example, 56% of businesses responding to a survey informing the design of the business resilience support service self-identified as a minority ethnic business. This gave us a better understanding of the demographics of our business communities, their needs and the challenges they face. These findings directly informed the development of the Southwark Pioneers Fund, a £2m programme of support for businesses and entrepreneurs.
37. The Local Economy Team are also collecting data to further increase the diversity of communities with which we engage. One example of this is Equalities monitoring information collected via the covid business grants application forms that has enabled data collection on the demographics of Minority Ethnic Businesses. The council is now able to contact over 1000 businesses which identify as Black, Asian or minority ethnic-led, which significantly increases our ability to engage with these groups.

Community impact statement

38. The Southwark Equality Framework replaces the Council's Approach to Equality and explains how the Council is working towards a Southwark that is tolerant, diverse and fair for all. It sets out what the public can expect from the Council, what the legislation requires of us and what the Council is committed to doing. It explains our approach to advance and promote equality of opportunity in the borough by making equality part of our day-to-day business – including how the Council will use equality analysis to generate insight and understand the effects of its decisions on different groups.
39. The Framework is a visible commitment to equality in Southwark and sets out how we will consider the impact our services, policies and decisions have on the protected characteristics (race, sex, disability, age, religion or belief, sexual orientation, pregnancy & maternity, gender reassignment and marriage & civil partnership as well as socioeconomic status) into our processes.

Climate Change Implications

40. There is significant evidence of the link between climate change and inequality. While everyone is affected by climate change, the extent of that impact is not equal. As set out in the Council's Climate Change Strategy, climate change has the biggest impact on those who are poorer or have underlying health conditions. Black, Asian and Minority Ethnic residents are disproportionately affected. Social justice is central to the strategy including maximising the co-benefits of action and ensuring that climate change policy reduces inequality and promotes fairness.
41. The equality framework is one element of the council's work in tackling social inequality and injustice. The response to combat climate and tackling inequality and injustice through initiatives like the Equality Framework go hand in hand.

Resource implications

42. Recommendations supported in this paper will be taken into account as part of the ongoing implementation of the Southwark Equality Framework. There are therefore no further resource implications from this paper.

Legal implications

43. There are no significant legal implications arising from the recommendations in this report.

Financial implications

44. There are no financial implications arising directly as a result of this report.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Report of the Education and Local Economy Scrutiny Commission: Review of Approach to Equality and Adoption of the Equality Framework	Constitutional Team, Southwark Council	Everton Roberts 0207 525 7221
Link (please copy and paste into browser): https://moderngov.southwark.gov.uk/documents/s98983/Report%20Equality%20Framework%20-%20Recommendations%20of%20Ed%20and%20Loc%20SC.pdf		
The Southwark Equality Framework	Constitutional Team, Southwark Council	Everton Roberts 0207 525 7221
Links (please copy and paste into browser): https://moderngov.southwark.gov.uk/documents/s99894/Report%20Southwark%20Equality%20Framework.pdf https://moderngov.southwark.gov.uk/documents/s99895/Appendix%201%20Southwark%20Equality%20Framework%20Final.pdf		
Southwark Stands Together Annual Report	Constitutional Team, Southwark Council	Everton Roberts 0207 525 7221
Links (please copy and paste into browser): https://moderngov.southwark.gov.uk/documents/s99892/Southwark%20Stands%20Together%20Annual%20report.pdf https://moderngov.southwark.gov.uk/documents/s99893/Appendix%201%20Annual%20report.pdf		

AUDIT TRAIL

Cabinet Member	Councillor Alice Macdonald, Equalities, Neighbourhoods and Leisure	
Lead Officer	Caroline Bruce, Strategic Director of Environment & Leisure Stephen Douglass, Director of Communities	
Report Author	Stephen Douglass, Director of Communities	
Version	Final	
Dated	2 September 2021	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Director of Law and Democracy	No	No
Strategic Director of Finance and Governance	No	No
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team		2 September 2021

Item No. 19.	Classification: Open	Date: 14 September 2021	Meeting Name: Cabinet
Report title:		Response to the Education and Local Economy Scrutiny Commission: Local Economy: Revitalising Southwark's High Streets and Town Centres	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Jason Ochere, Jobs, Business and Town Centres	

FOREWORD - COUNCILLOR JASON OCHERE, CABINET MEMBER FOR JOBS, BUSINESS AND TOWN CENTRES

I would like to thank the education and local economy scrutiny commission for their hard work during the last municipal year, in ensuring our efforts to revitalise Southwark’s high streets and town centres are rooted in good evidence.

As we know, our high streets and town centres have been hugely impacted by the pandemic, with less footfall resulting in lower sales and activity. Our response to boost our local economy requires an innovative approach, which also acknowledges the differences between the high streets and town centres within our borough.

The commission highlights a number of key recommendations to assist Southwark’s high streets and town centres. I am committed to building on these key initiatives that have been highlighted within the report including: exploring community ownership structures; finding creative new uses for the high street; and supporting young people into high quality apprenticeships to strengthen our local economy.

All of the recommendations in this report will aid our response to economic renewal and I look forward to working with the commission to deliver these priorities for the people and businesses in Southwark.

RECOMMENDATION

1. That the following response to recommendations set out in the Report of the Education and Local Economy Scrutiny Commission (June 2021) is considered by Cabinet.

BACKGROUND INFORMATION

2. This report responds to the Commission's investigation into the impact of the Covid-19 pandemic on businesses and the future of our high streets and town centres.
3. The report by the Scrutiny Commission identified a set of recommendations to assist in the delivery of the Council's aim of revitalising high streets and town centres as part of the council's Economic Renewal Plan. These recommendations are welcomed and this report provides a response to each of these.
4. High streets and town centres have seen significant reduction in footfall for a number of years with an increased trend towards online shopping, which has accelerated due to the pandemic and subsequent lockdowns.
5. The Covid-19 crisis has threatened to exacerbate these challenges and the council has therefore made their protection a priority. It is vital that we ensure our town centres and high streets remain vibrant, thriving, accessible spaces, safe for all, which contribute to the prosperity and cohesion of our local communities.
6. Town Centres and High Streets are one of the four central themes of Southwark's Economic Renewal Plan, through which we have outlined the actions we are taking in response to the economic challenges brought by the pandemic.

KEY ISSUES FOR CONSIDERATION

7. **Recommendation 1: The Commission recommends the Council maps Southwark's various local economies as part of the implementation of its economic renewal plan.**
8. A framework is now in place to guide our cross-council approach to the revitalisation our high streets and town centres, including a set of overarching themes, which encapsulate the council's vision for its town centres together with objectives, policies and proposals to guide future delivery, development and change. It will help to ensure a more comprehensive and consistent approach across the borough, whilst also acknowledging that each town centre has a unique identity and may require a more targeted neighbourhood level approach in particular areas.
9. Aligned to our "Southwark Stands Together" programme, this approach will highlight the diversity of each town centre and the local communities within them, and ensure that we celebrate and enhance the distinctive identity of each locality within our borough.
10. Through this strategic approach the council will deliver its Borough Plan commitment to *"Help Southwark's high streets to be thriving and vibrant, seeking to achieve full occupancy and encourage residents to shop local"*.

11. This approach will enable us to reimagine these spaces so that they are fit for the future, balancing retail, business, development and inclusive economic growth, with health and wellbeing, sustainable transport, culture and leisure. The approach will be structured around five key themes and will align with all other council plans and strategies with relevance to town centres, high streets and neighbourhoods, and ensure that vital lessons learned from the Covid-19 pandemic help to shape future approaches.
12. The five themes guiding our approach to Town Centres and High Streets are:
 - Sustainable, accessible places – A 15-minute borough
 - An inclusive, greener local economy
 - Vibrant, resilient and connected high streets
 - The heart of our communities
 - Healthy and safe high streets.
13. To ensure we have a consistent, cross council approach to our town centres and high streets, we have worked with officers across the council including those from Public Health, Planning, Regeneration, Communities, and Culture. In addition, governance arrangements have been put in place reporting to the Cabinet Member for Jobs, Business and Town Centres.
14. Chaired by the Director for Response & Renewal, a cross council Senior Officer Group meets on a monthly basis to oversee the development and implementation of an activity log and set of action plans for the four priority town centres and high streets, identified as Camberwell, East Dulwich, Peckham and Walworth Road.
15. In addition, we are working with nominated town centre lead officers to develop action plans for each of the priority town centre areas. These will include current challenges, opportunities and resourcing, while activity logs track all current activity. It is intended that these action plans will be developed in partnership with ward members and key local stakeholders through established Task Forces.
16. In order to successfully establish task forces in the four priority areas, we have been developing a template engagement plan. This will ensure consistency in our approach to the work in each town centre, set out clear steps for establishing taskforces with the aim of delivering task and finish groups, and ensure successful engagement with key stakeholders internally and externally.
17. Officers in the Regeneration team have developed baselines to capture current activity and investment in each of the priority areas in order to gain a clear picture of the current state of the area. This will help to illustrate the starting point when developing the action plans for each of the areas.

18. In addition, the council has signed up to the GLA's High Street Data Service and Partnership. A hub that brings together important information about the economic and social health of High Streets and Town Centres. We will have access to new, regularly updated data showing footfall and spend, which will inform the development of the town centre action plans.
19. As the overarching framework for this work, the Economic Renewal Plan (ERP) is updated and monitored each quarter, with input sought from officers across the council to ensure that progress is tracked against the commitments set out in the plan.
20. **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.**
21. The council is currently reviewing its approach to premises for the Voluntary and Community sector and plans to report its recommendations to Cabinet this autumn. This is a complex proposition for both communities and the priorities the council seeks to support through the use of its assets.
22. Nevertheless, we will be looking carefully at the options, and how they support and interact with the high streets workstream. We will look also to the overarching principles of the council's newly adopted Corporate Asset Management Plan, agreed by Cabinet in January, in formulating the strategy.
23. **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.**
24. The development of the GLA Landlord Charter will be monitored and explored by the Director of Planning and Growth, as a means of stimulating community led activity amongst private developers and landowners. A separate workstream is underway to look at the future strategy for voluntary and community sector use of council owned buildings. Any new opportunities or complimentary activities should also be considered and made known in the context of this work.
25. Southwark Council recognises regeneration is about improving the lives of people in the borough, including bringing about improvements to the buildings and environment around us. It is important that everyone has a voice and is able to influence change and our approach to the way we invest in the borough. The Development Consultation Charter is our promise to the community to deliver 'Regeneration that works for all'.

26. This way of working together requires providing the community with:
- Clear guidelines for consultation and a better understanding of the planning process
 - More timely and accessible information online
 - Accessible, online information on how the engagement and feedback has shaped discussions and proposals
27. This will help developers to present a proposal influenced by working closely with the community. We can then make informed, open decisions on development.
28. **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.**
29. The High Street Recovery Fund has launched with a specific theme, requesting project ideas that support “Healthy and Safe High Streets”. Projects for this theme should be activities that support the safe reopening of high streets, and make them safe and welcoming places to visit. As well as interventions in mobility, connectivity of high streets, social interaction and cohesion, reduction of health inequalities and promotion of access to health-promoting goods and services.
30. We are working closely with the public health team to deliver the HSRF. We will also refer to public health colleagues for input as part of the evaluation of the HSRF, relying on their expertise to ensure we award projects that compliment and add value to the work public health colleagues are currently delivering and set out to achieve clear objectives that link with safe and healthy high streets. We will continue to ensure there is a joined up approach and make links with public health work and initiatives where appropriate.
31. We are also working to establish taskforces for each of the priority town centre areas that will support us in identifying new opportunities to support the vitality of our high streets. The taskforces will allow us to do this with the input from key stakeholders including residents and business owners, as well as relevant officers and members.
32. **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.**
33. In 2019, £20,000 funding was secured from Arts Council England to support the research, development and launch of a Southwark Cultural

Compact via a three stage process:

Stage 1 - Research and engagement

Stage 2 - Development of the Compact model

Stage 3 - Support the strategic direction of the Compact

34. This was as part of a national programme that was already underway in towns and cities around the country; London had not previously been within the scope of Arts Council's Compact project, so Southwark's research into the potential of a borough Cultural Compact has always been at a later stage of development than other nationwide examples.
35. Cultural partnership specialists The Revels Office were appointed via an open process and had begun the Stage 1 research and development activity at the point that work on this project was paused due to the pandemic. A Cultural Compact Conference had been due to take place at Mountview Academy on 22 April 2020, with capacity for 100 delegates, at which initial options for the Compact model would have been tested as Stage 2.
36. Before recommencing activity on the Compact in 2021, it was thought to be appropriate to re-engage with the cultural and business sectors locally to ascertain their views about the continuing relevance of developing the Compact in the light of COVID and as we progress plans for borough-wide recovery and renewal. This consultation activity was conducted during May-June 2021 by The Revels and sought to understand how the Council could best support the borough's cultural recovery.
37. However, as engagement with the survey was not fully representative of the cultural sector and did not gain a response from the business sector (despite their previous participation in the Compact research), officers are now seeking to elicit more diverse perspectives on the relevance of a Compact framework for culture in the borough, aligned either with the implementation of Southwark's Cultural Recovery Plan or, in the longer term, with the development of a new Southwark Cultural Strategy for 2023 onwards.
38. **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.**
39. Work continues to supporting our young people into quality apprenticeship opportunities and we will continue to integrate our apprenticeship programme into the broader Youth New Deal offer. For the refreshed Southwark Pioneers Fund (SPF) we plan to have specific 'start-up' enterprise support, which will be able to support young entrepreneurs who are seeking to start, or have recently started an enterprise that can add social value to the local economy. Grants will be made available to eligible

enterprises in order to support their growth journey, with priority for those who are committed to taking on young local interns and providing suitable training / development / match funding etc. We expect the SPF to launch in March 2022.

40. The council has also launched a Young People's Opportunities campaign; the regular email bulletin for which is reaching over 1,000 subscribers with news of training and employment opportunities.
41. **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.**
42. The council's emerging Policy P30 obligates developers to set aside 10% of upcoming workspace as affordable for an overall lease of 30 years. Our section 106 negotiations also put boundaries on usage on this space to encourage and obligate such usage as incubator and accelerator space for micro businesses, and those with green and social aims.
43. The relaunched Southwark Pioneers Fund will take into account the emerging and fundamental changes to the local economy that have been experienced in recent years (e.g. COVID-19), and reflect the priorities of the council, which includes support for social and community enterprises and start-ups and residents exploring routes to self-employment. Grants will support growth in a variety of ways, including provision of affordable workspace, i.e. via a subsidised rent scheme or equivalent in high street and town centre locations where existing subsidised space may become increasingly scarce.
44. The High Street Recovery Fund (HSRF), which launched 15 June 2021, is part of our approach to supporting town centre recovery. This has been based upon the previous High Street Challenge programme, which generated numerous ideas for revitalising our town centres and high streets. The application window was open for 6 weeks and closed on the 28th July 2021. Work is underway on next steps, including agreeing any successful proposals.
45. Applicants were required to demonstrate how their project proposal met one or more of the following themes:

- *Healthy and safe high streets* - This theme opens up the opportunity to support projects that make our high streets safe and welcoming places to visit. This theme welcomes projects that can intervene in mobility, connectivity of high streets, social interaction and cohesion, reduction of health inequalities and promote access to health-promoting goods and services
 - *Cultural / community events* – This theme welcomes culturally themed projects that will celebrate and acknowledge diversity and the unique identity and heritage of our town centres, helping to foster a sense of social cohesion and promoting town centres as the heart of our diverse communities.
 - *Vibrant, resilient and connected high streets* - This theme will welcome applications that support the improvement of digital connectivity in our town centres, encouraging the development and delivery of connected services for people and businesses.
 - *An inclusive, greener local economy* – This theme will welcome projects that will support inclusive, greener economic growth in our Town Centres and High Streets, in particular within key local business sectors, including retail, hospitality, tech, biomedical, health, construction, green and creative industries, and projects that will enhance opportunities for carbon reduction.
 - *Sustainable, accessible places* – This theme aligns to the council’s vision for a 15-minute borough and welcomes projects that aim to make localities more accessible, better connected and sustainable, for instance promoting sustainable modes of transport, reducing pollution and carbon emissions.
 - *Southwark Stands Together* – applicants will be required to demonstrate how their project will incorporate the ambitions of Southwark Stands Together; increasing diversity, reducing inequalities and tackling racism.
46. The fund encourages partnership working that brings together diverse skills and expertise across our town centres and high streets. Applicants were asked to demonstrate that their approach is supported by local businesses in the town centre or high street that is expected to benefit from the activity. Projects from the HSRF are expected to begin delivery in October 2021.

Policy implications

Economic Renewal Plan

47. The Economic Renewal Plan sets out our priorities for renewing our local economy.
48. The plan is designed to capture all cross-council activities aimed at

reducing and mitigating the economic impacts of the COVID-19 pandemic, and to support future inclusive economic growth in the face of these new economic challenges. It aligns with the council's wider recovery and renewal planning, links into our Southwark Stands Together commitments, and takes into account the inevitable economic impact of the pandemic on the council itself.

Town Centre and High Streets themes

49. As part of a cross-council approach to revitalising our high streets and town centres, a set of overarching themes were developed, encapsulating the council's vision for its town centres together with objectives, policies and proposals to guide future delivery, development and change. They will help to deliver a comprehensive and consistent approach across the borough.

Southwark Stands Together

50. The town centres work has been designed to acknowledge that each town centre has a unique identity and diverse communities within it, and may require a more targeted and distinct neighbourhood level approach. It supports inclusive growth in the face of new economic challenges and aligns with our Southwark Stands Together commitments.

Economic Wellbeing Strategy

51. In December 2016, Cabinet approved a refresh of the council's Economic Wellbeing Strategy 2017 to 2022, which reinforced our commitment to supporting local people into employment and apprenticeships, improving skills through access to work related training, and promoting financial wellbeing and independence.
52. The refresh outlined our strategy to build a strong local economy for all, working in partnership with residents, businesses and the Voluntary and Community Sector.
53. The strategy promotes and encourages economic wellbeing by seeking to make Southwark a place where businesses thrive and prosper, a place with thriving town centres, as well as dynamic digital centres that are great to visit and can be enjoyed by everyone.
54. The strategy will be reviewed and updated as part of the council and borough wide approach to recovery and renewal.

Resource implications

55. There are no immediate resource implications identified as part of this report.

Consultation

56. The cross-council approach to town centres and high streets ensures a coordinated and joined up effort. To date, we have worked with officers across various teams, and will continue to do so to ensure we are working together to coordinate and manage the ongoing delivery of council priorities.
57. In addition, we are in the process of initiating town centre task forces as part of our engagement with ward councilors, local businesses, residents and other key stakeholders, as well as relevant officers and members with a view to identify key opportunities and challenges in each of the priority town centres and develop action plans for implementation.
58. This engagement is an ongoing effort and will continue as we move forward with the delivery of the town centres and high streets work.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Finance and Governance

59. This report is requesting cabinet to consider the recommendations set out in the Report of the Education and Local Economy Scrutiny Commission (June 2021).
60. The strategic director of finance and governance notes that there are no new immediate financial implications arising from this report.
61. Staffing and any other costs connected with this report to be contained within existing departmental revenue budgets

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Link: High Street and Town Centres – Themes	Local Economy Team, Chief Executive's Department	Laura Ahern
Link: Economic Renewal Plan	Local Economy Team, Chief Executive's Department	Patrick Doherty
Link: Economic Wellbeing Strategy	Local Economy Team, Chief Executive's Department	Laura Ahern

APPENDICES

No.	Title
None	

AUDIT TRAIL

Cabinet Member	Councillor Jason Ochere, Jobs, Business and Town Centres	
Lead Officer	Stephen Gaskell, Director of Strategy and Economy	
Report Author	Laura Ahern, Senior Strategy Officer	
Version	Final	
Dated	2 September 2021	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Director of Law and Democracy	Yes	N/a
Strategic Director of Finance and Governance	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team	3 September 2021	

Item No. 20,	Classification: Open	Date: 14 September 2021	Meeting Name: Cabinet
Report title:		Report of the Environment Scrutiny Commission Quality – Air Quality part two scrutiny review cover report	
Ward(s) or groups affected:		All	
From:		Environment Scrutiny Commission	

RECOMMENDATIONS

1. That the cabinet considers the recommendations in the report (Appendix A), as set out on page 4 of the report and request that the relevant cabinet member reports back within eight weeks.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Environment Scrutiny Commission agenda and papers 2020-21	Scrutiny Team 160 Tooley Street London SE1 2QH	Julie Timbrell 020 7525 0514
Web link: https://moderngov.southwark.gov.uk/ieListMeetings.aspx?CId=517&Year=0		

APPENDICES

No.	Title
Appendix A	Air Quality - part two scrutiny review

AUDIT TRAIL

Lead Officer	Everton Roberts, Head of Overview and Scrutiny		
Report Author	Councillor Jason Ochere, Scrutiny Commission chair and Julie Timbrell, Scrutiny Project Manager		
Version	Final		
Dated	20 August 2021		
Key Decision?	No		
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER			
	Officer Title	Comments Sought	Comments included
	Director of Law and Democracy	No	No
	Strategic Director of Finance and Governance	No	No
	Cabinet Member	No	No
	Date final report sent to Constitutional Team		20 August 2020

Item No. 21.	Classification: Open	Date: 14 September 2021	Meeting Name: Cabinet
Report title:		Report of the Environment Scrutiny Commission - Planning and Environment scrutiny review cover report	
Ward(s) or groups affected:		All	
From:		Environment Scrutiny Commission	

RECOMMENDATIONS

1. That the cabinet considers the recommendations in the report (Appendix A), as set out on page 3 of the report and request that the relevant cabinet member reports back within eight weeks.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Environment Scrutiny Commission agenda and papers 2020-21	Scrutiny Team 160 Tooley Street London SE1 2QH	Julie Timbrell 020 7525 0514
Web link: https://moderngov.southwark.gov.uk/ieListMeetings.aspx?CId=517&Year=0		

APPENDICES

No.	Title
Appendix A	Planning and Environment scrutiny review

AUDIT TRAIL

Lead Officer	Everton Roberts, Head of Overview and Scrutiny		
Report Author	Cllr Jason Ochere, Scrutiny Commission chair and Julie Timbrell, Scrutiny Project Manager.		
Version	Final		
Dated	20 August 2021		
Key Decision?	No		
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER			
	Officer Title	Comments Sought	Comments included
	Director of Law and Democracy	No	No
	Strategic Director of Finance and Governance	No	No
	Cabinet Member	No	No
	Date final report sent to Constitutional Team		20 August 2021

Item No. 22.	Classification: Open	Date: 14 September 2021	Meeting Name: Cabinet
Report title:		Report of the Health and Social Care Scrutiny Social Care Scrutiny Commission - Mental Health Inequalities of Black, Asian and Minority Ethnic Children and Young People scrutiny review cover report	
Ward(s) or groups affected:		All	
From:		Health and Social Care Scrutiny Commission	

RECOMMENDATIONS

1. That the cabinet considers the recommendations in the report (Appendix A), as set out on page 6 of the report and request that the relevant cabinet member reports back within eight weeks.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Health and Social Care Scrutiny Commission agenda and papers 2020/21	Scrutiny Team 160 Tooley Street London SE1 2QH	Julie Timbrell 020 7525 0514
Web link: https://moderngov.southwark.gov.uk/ieListMeetings.aspx?CId=519&Year=0		

APPENDICES

No.	Title
Appendix A	Mental Health Inequalities of Black, Asian and Minority Ethnic Children and Young People scrutiny review

AUDIT TRAIL

Lead Officer	Everton Roberts, Head of Overview and Scrutiny	
Report Author	Julie Timbrell, Scrutiny Project Manager	
Version	Final	
Dated	2 September 2021	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Director of Law and Democracy	No	No
Strategic Director of Finance and Governance	No	No
Cabinet Member	No	No
Date final report sent to Constitutional Team	2 September 2021	

Item No. 23.	Classification: Open	Date: 14 September 2021	Meeting Name: Cabinet
Report title:		Report of the Housing and Community Engagement Scrutiny Commission: Estate Cleaning Services and Anti-Social Behaviour on Southwark Estates	
Ward(s) or groups affected:		All	
From:		Housing and Community Engagement Scrutiny Commission	

RECOMMENDATIONS

1. That cabinet note the recommendations from the housing and community engagement scrutiny commission arising from the scrutiny review of communal areas and resident experience on Southwark Estates in respect of estate cleaning and anti-social behavior, paragraphs 6 to 11.
2. That cabinet request that the relevant cabinet member reports back to cabinet on the recommendations within eight weeks.

BACKGROUND INFORMATION

3. At its meeting on 14 October 2020 the housing and community engagement scrutiny commission received a report from the Director of Environment on Estate Cleaning. The report was presented by the Cabinet Member for Leisure, Environment and Roads, and the Head of Waste and Cleaning.
4. At its meeting on 1 December 2020 the commission received a report from the Strategic Director of Housing and Modernisation on anti-social behavior and noise on Southwark Housing Estates. The report was presented by the Cabinet Member for Public Health and Community Safety, and the Business Unit Manager responsible for the Anti-Social Behaviour service.
5. The commission considered and agreed a set of recommendations put forward by the chair of the commission at its meeting on 26 April 2021. The rationale and commission recommendations are set out at paragraphs 6 to 11.

KEY ISSUES FOR CONSIDERATION

Set out below are the recommendations of the housing and community engagement scrutiny commission:

Estate Cleaning Service

6. The Housing and Modernisation Department is the client department for the estate cleaning and estates grounds maintenance services. A service level agreement provides the standards for performance management, including KPIs. The service is entirely council run. Recent experience in the housing repairs service has shown us that internal client/provider models are not always the best way of managing services and driving up performance. In fact, these artificial client/provider models can create inefficiency and unclear lines of management responsibility. Unifying services can improve communication and provide a more clearly understood management structure.

Recommendation 1 - The Cabinet should ask for a review to be carried out of this model, comparing it with possible alternatives, and then decide if these arrangements should be changed for the estate cleaning service.

7. Our estate cleaning staff are not as well supported by council IT as they might be. Staff are not provided with council smart phones and have no access to data which would help them to see where cleaning activities might be focused. They also do not have easy access to online tools to report issues they see during their work, such as fly-tipping.

Recommendation 2 – A review of the IT support for estate cleaning staff be carried out, and additional support put in place where appropriate.

8. Adequate resources are in place to respond to urgent cleaning issues on estates, but widely understood and easy to use routes to report issues to the council are not.

Recommendation 3 - The council should develop an online tool for housing estate residents to use which enables them to report issues quickly and easily.

9. Key performance indicators in estate cleaning are a concern for the commission. Over a period of years, KPIs show almost 100% compliance with acceptable standards. KPIs routinely show very high levels of performance, even on estates that are not well-cleaned. KPIs are not accurately reflecting the reality experienced by residents of estates and they are not driving service improvement.

Recommendation 4 – Two actions should be put in place to help remedy this:

- a) There should be a complete review of KPIs currently being used as part of the service level agreement and only KPIs that can be used to

drive service improvements should be continued.

b) Residents should be given a direct role in assessing the quality of cleaning on their estate. Monthly online surveys should be sent to all residents on an estate, so that they can quickly and easily give their feedback. Consideration should be given on how residents who are digitally excluded can provide feedback, as well as residents being able to provide feedback by way of SMS texting.

Anti-Social Behaviour

10. Many incidents of anti-social behaviour on Southwark estates are the result of individuals suffering mental health problems or crises. The council does a good job of linking up medical support or alcohol and drug abuse support for those individuals through the Multi-Agency Risk Assessment Conference (MARAC) process. However, other sources of support are equally important, for example, employment and training support services for those wishing to restart or change their working life.

Recommendation 5 - The Cabinet should review support arrangements to ensure a full range of support is being offered in these circumstances.

11. Officers described challenges during each new lockdown, created by a surge in domestic violence. People being isolated in a property with an abuser create a much higher risk of abuse. There have been significant increases in demand for domestic violence support services, and officers trained to deal with these situations.

Recommendation 6 - Cabinet should put in place protocols and plans (with ownership and accountability at senior officer level) to ensure that any future surges created by further lockdowns, mean the council is always able to match the surge in demand with additional resources. Similar arrangements should be considered to support those who become the victims of 'Cuckooing' (vulnerable individuals having their homes taken over by organised criminals). This is also an issue which has increased during lockdowns.

12. It is for the cabinet to decide whether or not to accept the scrutiny commission's recommendations.
13. 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
Housing and Community Engagement Scrutiny Commission agenda and minutes -14 October 2020	Southwark Council Website	Amit Alva Amit.alva@southwark.gov.uk
https://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=551&MId=6816&Ver=4 (See item 5)		
Housing and Community Engagement Scrutiny Commission agenda and minutes – 1 December 2020	Southwark Council Website	Amit Alva Amit.alva@southwark.gov.uk
https://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=551&MId=6885&Ver=4 (See item 6)		
Housing and Community Engagement Scrutiny Commission agenda and minutes – 26 April 2021	Southwark Council Website	Amit Alva Amit.alva@southwark.gov.uk
https://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=551&MId=7064&Ver=4 (See item 5)		

APPENDICES

No.	Title
None	

AUDIT TRAIL

Lead Member	Councillor Gavin Edwards, Chair, Housing and Community Engagement Scrutiny Commission	
Lead Officer	Doreen Forrester-Brown, Director of Law and Governance	
Report Author	Everton Roberts, Head of Scrutiny	
Version	Final	
Dated	2 September 2021	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Director of Law and Governance	No	No
Strategic Director of Finance and Governance	No	No
Cabinet Member	No	No
Date final report sent to Constitutional Team	2 September 2021	

Item No. 24.	Classification: Open	Date: 14 September 2021	Meeting Name: Cabinet
Report title:		Report of the Housing and Community Engagement Scrutiny Commission: Review of Community Hubs	
Ward(s) or groups affected:		All	
From:		Housing and Community Engagement Scrutiny Commission	

RECOMMENDATIONS

1. That cabinet note the recommendations from the housing and community engagement scrutiny commission arising from the scrutiny review of community hubs (paragraphs 6 and 7).
2. That cabinet request that the relevant cabinet member reports back to cabinet on the recommendations within eight weeks.

BACKGROUND INFORMATION

3. At its meeting on 14 October 2020 the housing and community engagement scrutiny commission received a detailed report from the cabinet member for social support and homelessness on the Southwark Community Hub set up in response to the pandemic and resulting lockdown to provide support for vulnerable residents. The report also included the key findings and recommendations of the community hub review working group which was established in order to hear evidence from partners from across sectors and views on priorities for the future of the Community Hub.
4. At the same meeting, the commission also received a briefing from the cabinet member on the cabinet report ‘Update on implementation of Southwark Community Support Alliance’ which was due to be considered by cabinet on 20 October 2020.
5. The commission considered and agreed a set of recommendations put forward by the chair of the commission at its meeting on 26 April 2021. The rationale and commission recommendations are set out at paragraphs 6 and 7.

KEY ISSUES FOR CONSIDERATION

Set out below are the recommendations of the housing and community

engagement scrutiny commission:

6. It is important the council supports residents to move on from emergency food support, where this is possible and appropriate. This means that Southwark Council should be offering advice and support on accessing full entitlement to benefits, employment and training support, housing advice, financial planning advice (paying bills etc.), childcare entitlement and immigration advice. If this support is best delivered in the community hub, then the council needs to be developing and funding this service adequately. If support is best delivered via other means, we need to ensure there is a clear triage and referral process in community hubs. With finances constrained, it is important Southwark is not paying/funding this in two places.

Recommendation 1 - That Cabinet ask officers to review support available to those no longer accessing emergency support to ensure services are funded and there is no duplication.

7. If new services become available in community hubs, Southwark may need to reconsider providing similar services centrally. Conversely, if Southwark has a well-run centralised service, we should be building on that success and not duplicating via the community hubs. Many services have performed better and more consistently when centralised.

Recommendation 2 - That cabinet takes steps to ensure duplication is not occurring as a result of new services being provided from community hubs.

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
Housing and Community Engagement Scrutiny Commission agenda and minutes – 14 October 2020	Southwark Council Website	Amit Alva Amit.alva@southwark.gov.uk
Link (please copy and paste into browser): https://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=551&MId=6816&Ver=4 (see item 8)		
Housing and Community Engagement Scrutiny Commission agenda and minutes – 26 April 2021	Southwark Council Website	Amit Alva Amit.alva@southwark.gov.uk
Link (please copy and paste into browser): https://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=551&MId=7064&Ver=4 (see item 8)		

APPENDICES

No.	Title
None	

AUDIT TRAIL

Lead Member	Councillor Gavin Edwards, Chair, Housing and Community Engagement Scrutiny Commission	
Lead Officer	Doreen Forrester-Brown, Director of Law and Governance	
Report Author	Everton Roberts, Head of Scrutiny	
Version	Final	
Dated	2 September 2021	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Director of Law and Governance	No	No
Strategic Director of Finance and Governance	No	No
Cabinet Member	No	No
Date final report sent to Constitutional Team	2 September 2021	

Item No.	Classification: Open	Date: 14 September 2021	Meeting Name: Cabinet
Report title:		Appointment to an Outside Body – London Bridge Business Improvement District (BID)	
Ward(s) or groups affected:		All wards	
From:		Proper Constitutional Officer	

RECOMMENDATION

1. That the cabinet consider and agree to the appointment of a cabinet member to the outside body London Bridge Business Improvement District (BID) for 2021-22.

BACKGROUND INFORMATION

2. Each year the council makes appointments/nominates individuals to outside bodies on an annual basis. Further to the annual report considered by cabinet on 15 June 2021, the council has been invited to submit a cabinet member nomination to serve on the London Bridge BID outside body for 2021-22.
3. This appointment will also now be included on the list of appointments to outside bodies submitted to cabinet on an annual basis.

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.

London Bridge Business Improvement District (BID)

5. London Bridge BID have set out a new vision for the next five years to make London Bridge one of the most sustainable, culturally innovative, and compelling places for business and tourism in the world. By working towards they are positioning London Bridge in an important role within the borough, delivering a flagship commercial district that aligns to global sustainability ambitions set out by the United Nations, in particular sustainable development goals that aspire to providing:
 - A great place to work and visit
 - An environmentally focused business district
 - A thriving community.

6. The pre-ballot consultation has identified six commitments for Team London Bridge, providing opportunities to “build back better” and focus on the unique attributes of the area:
1. Provide added resilience to future social and economic shocks
 2. Make London Bridge part of a Carbon Zero Southwark by 2030
 3. Make London Bridge a ‘front stage’ for London culture
 4. Make London Bridge the most enjoyable, safe, and convenient place to work in London
 5. Make a green and healthy street environment that puts walking and cycling first, providing an exemplar for London
 6. Make London Bridge the premier location for responsible businesses and ethically conscious employees.

Legal implications

7. 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, equalities (including socio-economic) and health impacts

Community impact statement

8. The council makes nominations to various outside bodies. The nominations process has no direct impact on the community.

Climate change implications

9. The nominations process has no direct implications.

Consultation

10. The political group whips have been consulted on the issues contained in the report.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

APPENDICES

No.	Title
None	

AUDIT TRAIL

Lead Officer	Chidilim Agada, Head of Constitutional Services	
Report Author	Paula Thornton, Constitutional Officer	
Version	Final	
Dated	1 September 2021	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Director of Law and Governance	No	No
Strategic Director of Finance and Governance	No	No
Date final report sent to Constitutional Team		

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

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