

Cabinet

Monday 18 July 2022

11.00 am

Ground Floor Meeting Rooms G02, 160 Tooley Street, London SE1 2QH

Membership

Councillor Kieron Williams (Chair)
Councillor Jasmine Ali

Councillor Evelyn Akoto
Councillor Stephanie Cryan
Councillor Helen Dennis

Councillor Dora Dixon-Fyle MBE
Councillor Alice Macdonald
Councillor Darren Merrill
Councillor Catherine Rose
Councillor Martin Seaton

Portfolio

Leader of the Council
Deputy Leader and Cabinet Member for
Children, Young People and Education
Cabinet Member for Health and Wellbeing
Finance, Democracy and Digital
Climate Emergency and Sustainable
Development
Community Safety
Equalities, Neighbourhoods and Leisure
Council Homes and Homelessness
Parks, Streets and Clean Air
Jobs, Business and Town Centres

INFORMATION FOR MEMBERS OF THE PUBLIC

Access to information

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Access

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Contact

paula.thornton@southwark.gov.uk; constitutional.team@southwark.gov.uk

Members of the committee are summoned to attend this meeting

Althea Loderick

Chief Executive

Date: 8 July 2022



Cabinet

Monday 18 July 2022
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

1

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

4. DISCLOSURE OF INTERESTS AND DISPENSATIONS

Members to declare any interests and 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 Tuesday 12 July 2022.	
6.	MINUTES	2 - 26
	To approve as a correct record the minutes of the open section of the meeting held on 14 June 2022.	
7.	DEPUTATION REQUESTS	
	To consider any deputation requests. To consider any deputation requests. The deadline for the receipt of a deputation request is midnight Tuesday 12 July 2022.	
8.	SCHOOLS INCLUSION CHARTER	27 - 39
	To agree the Southwark Inclusion Charter.	
9.	DEVELOPING SOUTHWARK'S NEW BOROUGH PLAN	To follow
	To agree to the development of Southwark's new Borough Plan to 2030 working with residents, the local voluntary sector, businesses and the wider public sector.	
10.	CLIMATE CHANGE CITIZEN JURY	40 - 77
	To note the council response to the jury's recommendations and the progress made to date and agree to amend the council's climate change strategy and action plan in line with the jury's recommendations.	
11.	CLIMATE EMERGENCY ANNUAL PROGRESS REPORT AND UPDATE OF THE CLIMATE STRATEGY AND ACTION PLAN	78 - 90
	To note the progress made since publication of the previous climate change strategy and action plan in July 2021 and agree related recommendations.	

Item No.	Title	Page No.
12.	SOUTHWARK STANDS TOGETHER ANNUAL REPORT	To follow
	To note the progress made against the eight work streams outlined in the Southwark Stands Together (SST) annual report and reaffirm commitment to the programme delivery.	
13.	POLICY AND RESOURCES STRATEGY: FINANCIAL REMIT 2023-24 AND SCENE SETTING	91 - 111
	To note that the council agreed a balanced budget for 2022-23 on 23 February 2022 and additional financial uncertainty because of a number of factors.	
14.	POLICY AND RESOURCES STRATEGY: REVENUE MONITORING REPORT OUTTURN, INCLUDING TREASURY MANAGEMENT 2021-22	112 - 137
	To note the balanced general fund outturn position for 2021-22 after the application of reserves and emergency Covid-19 funding and the key adverse variations and budget pressures underlying the outturn position.	
15.	POLICY AND RESOURCES STRATEGY: CAPITAL MONITORING REPORT OUTTURN 2021-22	138 - 170
	To note the outturn and resources for 2021-22 and future years for both the general fund and housing investment programmes.	
	To approve the virements and variations to the general fund and housing investment capital programme.	
16.	BOROUGH EMERGENCY PLAN	171 - 177
	To agree the annual review of the generic borough emergency plan with the understanding that further lessons from both the response to COVID-19 and other incidents will continue to be incorporated into future learning and planning.	
17.	TUSTIN ESTATE LOW RISE REDEVELOPMENT PROGRAMME (PHASE 1) ENABLING WORKS AND DEMOLITION	178 - 185
	To approve a further variation to the housing investment programme for funding to undertake enabling works and demolition in Phase 1 of the Tustin Estate Low Rise Redevelopment Programme.	

Item No.	Title	Page No.
18.	GATEWAY 1 - PROCUREMENT STRATEGY APPROVAL - CONTRACTOR PARTNER FOR DELIVERY OF NEW COUNCIL HOMES, PRIVATE HOMES AND COMMERCIAL SPACE ON OLD KENT ROAD	186 - 200

To approve the procurement strategy for the appointment of a development partner for delivery of new council homes, private homes and commercial space on Old Kent Road via the Greater London Authority's (GLA) London Developer Panel 2 Framework (LDP2) or its replacement for a period of five years, commencing on 29 November 2022.

19.	GATEWAY 2 - CONTRACT AWARD APPROVAL FOR THE BOROUGH'S TREE WORKS PROGRAMME	201 - 232
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To approve the award of the Southwark arboricultural maintenance contract in three lots commencing on 3 October 2022 for an initial duration of four years.

20.	MANDELA WAY BERMONDSEY. APPROPRIATION OF COUNCIL OWNED LAND FOR PLANNING PURPOSES	233 - 244
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To approve the appropriation of land to facilitate the carrying out of development proposals for the area.

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

EXCLUSION OF PRESS AND PUBLIC

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

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

Item No.

Title

Page No.

PART B - CLOSED BUSINESS

- 21. GATEWAY 2 - CONTRACT AWARD APPROVAL FOR THE BOROUGH'S TREE WORKS PROGRAMME**

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

Date: 8 July 2022



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

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

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

DECISION MAKER

Name of decision maker: Cabinet

Date of meeting: 18 July 2022

LEAD OFFICER DETAILS

Name and contact details: Tara Quinn, Head of Parks and Leisure
Email: tara.quinn@southwark.gov.uk

DETAILS OF THE REPORT

Title and brief description of the nature of the business to be considered:

Gateway 2 - Contract Award Approval for the Borough's Tree works programme

Contract award approval for tree contracts 2022-26.

What is the potential cost to the council if the decision is delayed?

The next forward plan to be published will be the August 2022 plan. The decision cannot wait until the next cabinet meeting in September. Contracts have an estimated start date of early October 2022. Delaying approval to September cabinet would make this unachievable due to an insufficient contract mobilization period.

How long has the department known the decision required a closed report?

The report was added to the forward plan in May; however, it was incorrectly assigned to the cabinet member instead cabinet.

Paula Thornton
For Proper Constitutional Officer
Dated: 8 July 2022



Cabinet

MINUTES of the OPEN section of the Cabinet held on Tuesday 14 June 2022 at 11.00 am at Council Offices, 160 Tooley Street, London SE1 2QH

PRESENT: Councillor Kieron Williams (Chair)
Councillor Evelyn Akoto
Councillor Stephanie Cryan
Councillor Helen Dennis
Councillor Dora Dixon-Fyle MBE
Councillor Alice Macdonald
Councillor Darren Merrill
Councillor Catherine Rose
Councillor Martin Seaton

ANNOUNCEMENT BY LEADER OF THE COUNCIL - GRENFELL

The leader spoke of the five-year anniversary of Grenfell and expressed solidarity and thoughts for all those impacted by this tragedy.

1. APOLOGIES

An apology for absence was received from Councillor Jasmine Ali.

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

There were none.

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

There were no closed items for this meeting.

4. DISCLOSURE OF INTERESTS AND DISPENSATIONS

There were none.

5. PUBLIC QUESTION TIME (15 MINUTES)

None were received.

6. DEPUTATION REQUESTS

None were received.

7. MINUTES**RESOLVED:**

That the minutes of the meeting held on 8 March 2022 be approved as a correct record and signed by the chair.

8. GATEWAY 1 PROCUREMENT STRATEGY APPROVAL CONTRACTOR SERVICES FOR THE LEDBURY ESTATE**RESOLVED:**

1. That the procurement strategy for new build works at Ledbury Estate which is currently estimated at a cost of approximately £161m with a contract duration of up to six (6) years be approved.
2. That it be noted that this cost is the current best estimate based upon current market conditions. This may change over the coming months and will be updated accordingly should this happen.
3. That it be noted that the Gateway 2 for procurement of the main contractor will be brought to cabinet seeking approval following completion of the tender process.

9. AYLESBURY ESTATE PHASE 2B COMPULSORY PURCHASE ORDER (CPO)**RESOLVED:**

1. That the current position in relation to the delivery of new homes at Phase 2B

of the Aylesbury Estate regeneration programme be noted:

- A planning application for the redevelopment of the site to provide 614 homes has been submitted by Notting Hill Genesis
 - Vacant possession of 297 properties has been achieved
 - The council has successfully acquired 46 leasehold properties by agreement and successfully rehoused 293 households on a secure tenancy.
2. That it be noted that officers are continuing to negotiate with all 11 remaining leaseholders at Phase 2B with the intention to acquire these remaining interests by agreement.
 3. That it be noted that there is a compelling case for a Compulsory Purchase Order (CPO) and it be resolved to make a Compulsory Purchase Order under Section 226 (1)(a) of the Town & Country Planning Act 1990 ("the 1990 Act") for all land and rights within the area of land identified within the plan at Appendix 2 of the report for the purposes of securing the delivery of new homes on the site in line with the proposed planning consent ("the Scheme) and thereby securing the continuation of the regeneration of the Aylesbury Estate in line with the adopted Aylesbury Area Action Plan.
 4. That the director of planning and growth, in consultation with the strategic director of housing and modernisation, be authorised on behalf of the council to:
 - Take all necessary steps to secure the making, confirmation and implementation of the CPO, including the publication and service of all notices and the presentation of the Council's case at public inquiry should one be called
 - Acquire for planning purposes all interests in land and new rights within the CPO area as may be necessary to facilitate the Scheme, either by agreement or compulsorily, including entering into negotiations with any third parties for the acquisition of the land interests and/or for new rights over their land (as appropriate), the payment of compensation and dealing with any blight notices served in connection with the CPO
 - Approve agreements with land owners setting out the terms for the withdrawal of objections to the CPO, including where appropriate seeking the exclusion of land or new rights from the CPO or giving undertakings as to the enforcement of the terms of the CPO
 - Make any minor additions, deletions or amendments to the extent of the land to be included in the CPO as shown in Appendix 1 should the need arise, so as to include all interests in land and rights required to facilitate the construction, maintenance and use of the Scheme
 - Take all necessary actions in relation to any legal proceedings relating to the CPO, including defending or settling (as appropriate) any compensation claims referred to the Lands Chamber of the Upper Tribunal due to the making or implementation of the CPO, and to take all necessary steps in respect of any other legal proceedings that relate to

- the making, confirmation or implementation of the CPO
- Appoint and/or retain such external professional advisors and consultants as are necessary to assist the Council in facilitating the Scheme, including in the promotion of the CPO and the settlement of any compensation claims.
5. That the progress on acquiring leasehold interests as part of the Aylesbury regeneration programme be noted.

10. COUNCIL TAX REBATE 2022

RESOLVED:

1. That the allocation of the Government's council tax rebate grant be approved.
2. That the responsibility to make future amendments to the application of the council tax rebate policy following further review be delegated to the strategic director for finance and governance, in consultation with the cabinet member for finance, democracy and digital, and the deputy cabinet member for financial support.

11. NON-DOMESTIC RATES - COVID -19 ADDITIONAL RELIEF FUND

RESOLVED:

1. That the COVID – 19 Additional Relief Fund (CARF) policy set out within Appendix 1 of the report, as per the government's requirement to support those businesses affected by the pandemic but that were ineligible for existing support be approved.
2. That the responsibility to make future amendments to the application of the COVID-19 Additional Relief Fund (CARF) policy cabinet following further review be delegated to the strategic director for finance and governance, in consultation with the cabinet member for finance, democracy and digital.

12. REPORT OF THE OVERVIEW AND SCRUTINY COMMITTEE: REVIEW OF REGENERATION IN THE BOROUGH OF SOUTHWARK

Councillor Ian Wingfield, chair of overview and scrutiny committee presented the report to cabinet.

RESOLVED:

1. That the report from the overview and scrutiny committee in relation to the scrutiny review of regeneration in the borough of Southwark, Appendix A of the report be noted.

2. That the relevant cabinet member reports back to cabinet on the recommendations contained in the report of the overview and scrutiny committee within eight weeks.

13. REPORT OF THE ENVIRONMENT SCRUTINY COMMISSION: ENERGY SCRUTINY REVIEW

Councillor Margy Newens, chair of environment scrutiny commission presented the report to cabinet.

RESOLVED:

That the recommendations in the energy scrutiny review report (Appendix A of the report), as set out on page 10 of the report be noted and that the relevant cabinet member reports within eight weeks.

14. REPORT OF THE HEALTH AND SOCIAL CARE SCRUTINY COMMISSION: DOMESTIC ABUSE IN FAMILIES

RESOLVED:

That the recommendations in the report (domestic abuse in families scrutiny review report, Appendix A of the report), as set out on page 3 of the report be noted and that the relevant cabinet member reports back to cabinet within eight weeks.

15. REPORT OF THE HOUSING AND COMMUNITY ENGAGEMENT SCRUTINY COMMISSION - NEW COUNCIL HOMES ON EXISTING ESTATES IN THE BOROUGH OF SOUTHWARK

RESOLVED:

1. That the recommendations from the housing and community engagement scrutiny commission arising from the scrutiny review of new council homes on existing estates in the Borough of Southwark, paragraphs 7 to 12 of the report be noted.
2. That that the relevant cabinet member reports back to cabinet on the recommendations within eight weeks.

16. REPORT OF THE HOUSING AND COMMUNITY ENGAGEMENT SCRUTINY COMMISSION: LICENSING IN THE PRIVATE RENTED SECTOR

RESOLVED:

1. That the recommendations from the housing and community engagement scrutiny commission arising from the scrutiny review of licencing in the private rented sector, paragraphs 6 to 10 of the report be noted.
2. That that the relevant cabinet member reports back to cabinet on the recommendations within eight weeks.

17. REPORT OF THE EDUCATION AND LOCAL ECONOMY SCRUTINY COMMISSION: REVIEW OF SPECIAL EDUCATIONAL NEEDS AND DISABILITIES (SEND) PROVISION IN THE BOROUGH OF SOUTHWARK

RESOLVED:

1. That the recommendations from the education and local economy scrutiny commission arising from the scrutiny review of the special educational needs and disabilities (SEND) provision in the Borough of Southwark, paragraphs 11 to 15 of the report be noted.
2. That the recommendations from the education and local economy scrutiny commission be considered and that the relevant cabinet member reports back to cabinet within eight weeks.

18. REPORT OF THE EDUCATION AND LOCAL ECONOMY SCRUTINY COMMISSION: GROWING ETHNIC MINORITY PAY GAP

RESOLVED:

1. That the recommendation from the education and local economy scrutiny commission arising from the scrutiny review of the growing ethnic minority pay gap, paragraph 6 of the report be noted.
2. That the relevant cabinet member reports back to cabinet on the recommendation within eight weeks.

19. REPORT OF THE EDUCATION AND LOCAL ECONOMY SCRUTINY COMMISSION: PROCUREMENT, ACCESSIBILITY AND SOCIAL VALUE

RESOLVED:

1. That the recommendations from the education and local economy scrutiny

commission arising from the update on scrutiny review of procurement: accessibility and social value, paragraphs 6, 7 and 8 of the report be noted.

2. That the relevant cabinet member reports back to cabinet on the recommendations within eight weeks.

20. REPORT OF THE EDUCATION AND LOCAL ECONOMY SCRUTINY COMMISSION: TOWN CENTRE ACTION PLAN - SOUTHWARK PIONEERS FUND

RESOLVED:

1. That the recommendation from the education and local economy scrutiny commission arising from the scrutiny review of town centre action plan: Southwark Pioneers Fund, paragraph 6 of the report be noted.
2. That that the relevant cabinet member reports back to cabinet on the recommendation within eight weeks.

21. MOTIONS REFERRED FROM COUNCIL ASSEMBLY

RESOLVED:

For a Fairer, Greener, Safer Borough

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

1. Council Assembly welcomes the huge progress that the council has made since Labour came to power in 2010, delivering a fairer, greener and safer future for all, building on Southwark Labour's vision for the borough. This includes:
 - a. Supporting 12,000 people into work since 2010, including 5,500 people supported into work since 2018 despite the significant challenge posed by the pandemic.
 - b. Creating 4,000 apprenticeships, the most of any London borough in the UK.
 - c. Halving the council's carbon emissions since 2018, delivering on a climate strategy independently ranked in the top 2 of 32 London boroughs.
 - d. Delivering on our pledge to plant over 10,000 trees
 - e. Achieving Green Flag status for 22 additional parks since 2010
 - f. On track to build and start 2,500 new council homes by May since 2014 and agreed a new Southwark Plan which will deliver 40,000 new homes by 2036.

- g. Improving our schools so that 95% are now ranked good or outstanding by OFSTED.
 - h. Guaranteed an education, training or employment opportunity for every young person leaving our care
 - i. Provided a free mental health drop in service for all children and young people
 - j. Opened five new libraries since 2010.
 - k. Retained the eighth lowest council tax in London.
2. Council Assembly also notes that the Council has been on your side supporting residents through the Covid-19 pandemic through some of the most challenging times local government has faced in recent years. This has included:
- a. Supporting over 73,000 vulnerable residents through Covid
 - b. Distributing over £250m of grants and business rate relief to local businesses
 - c. Helping 450 rough sleepers into emergency accommodation
 - d. Getting £20m of support to community groups to tackle the impact of Covid
 - e. Providing 1,700 laptops to school children who needed them the most.
3. Council Assembly notes its appreciation to officers, our voluntary and community groups, local businesses, statutory partners such as the NHS and the Police and, importantly, residents and local resident groups for the role that they have played in these achievements, and for the role that they will play in ensuring another decade of improvements for the people of Southwark.
4. Council Assembly notes that this has been achieved despite the Liberal Democrats' and Conservatives' opposition to progress which has included:
- a. Overseeing an austerity programme in government which has seen the Council's funding from central government cut by two thirds in real terms since 2010
 - b. Failing to recognise the huge improvements to council services since 2010 despite significantly higher levels of funding for local government under the previous Labour government
 - c. Abstaining on funding for a new anti-social behaviour taskforce and support for residents to tackle the cost of living crisis in this year's Budget
 - d. Failing to acknowledge the hard work and dedication of the council's frontline workers who have done an incredible job continuing to deliver services throughout the pandemic.
5. Council Assembly therefore notes that only Southwark Labour can be trusted to deliver for residents, while the Southwark Liberal Democrats will only let residents down. It therefore resolves to call upon cabinet to bring forward a

substantial policy programme including a refreshed Borough Plan for the next four years that will include Southwark Labour's plan to deliver a fairer, greener and safer future for residents including:

- a. Achieve a stronger economy building upon Southwark Labour's achievement of creating good jobs. The new Borough Plan should look to create more jobs and apprenticeships in high growth industries that can give back to our borough and our planet, and put in place measures to support Southwark's high streets
 - b. Tackle the climate emergency, cutting carbon emissions again with greener buildings, more parks, nature sites, cycle hangers and electric vehicle charging points to maintain momentum in making Southwark carbon neutral by 2030
 - c. Deliver safer streets and estates investing £2m in a taskforce to tackle anti-social behaviour hotspots, upgrade street lighting across the borough and install more CCTV cameras
 - d. Build more council homes and deliver more homes of different tenures for the benefit of all Southwark residents
 - e. Support our families by tackling health inequalities, particularly through mental health challenges.
6. Although this represents an ambitious set of pledges for Southwark, Council Assembly acknowledges that more can be achieved with greater financial resources. Therefore, Council Assembly also resolves to campaign for a fairer financial settlement from central government that does not ignore the wide disparities that still exist in London, with those on the lowest incomes more likely to suffer from health problems, squalid living conditions with no prospect of owning their own home and often insecure employment in the form of zero hour contracts.
7. Council Assembly also acknowledges that the cost of living crisis is having a significant impact on our residents' finances, with a pronounced impact on those on the lowest incomes. Government has compounded these issues by cutting Universal Credit by £20 a week for those most in need of government support, as well as increasing national insurance which will hit people on the lowest incomes. Council Assembly therefore calls upon Cabinet to:
- a. Set up a cost of living fund to support Southwark's most vulnerable residents
 - b. Support the national Labour Party's plan for a more comprehensive package of measures and sustain a campaign for more support for the borough's residents.
8. Levelling up has also been described as a key pillar of the government's strategy to tackle inequality, however in reality there is very little for London boroughs, where the gap between rich and poor is the largest. Council Assembly acknowledges that the Council has made great improvements including lowering health disparities across the borough, building 2,500 new

council homes since 2014 and cutting the council's carbon emissions since 2018, however without government support it will be impossible for the council to close the gap completely. Therefore, council assembly calls upon cabinet to write to the Secretary of State for Levelling Up, Housing and Communities expressing its support for the London Councils position that states that levelling up the UK does not mean levelling down London, and campaign for a fair share of the levelling up fund.

Royal Mail

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

1. Council assembly notes that:
 - a. The SE22 sorting office was closed on September 17 2018, despite opposition from residents, ward councillors and the local MP, which has significantly impacted the quality of service received in Dulwich.
 - b. Royal Mail provides an essential service to residents throughout the borough, however residents have experienced significant disruption to their post service with letters arriving up to six weeks later than normal.
 - c. This has had a significant negative impact on residents, risking them missing important mail such as NHS appointments, benefits and pensions letters.
 - d. Covid-19 has exacerbated these delays to the service, and despite the challenges Royal Mail staff have faced as a result of the pandemic it appears that contingency plans have not been put in place, leaving residents without regular mail. It is also clear from the closure of the Sylvester Road office in 2018 that these issues predate the pandemic.
 - e. The Communication Workers' Union (CWU) has reported that 'managerial capacity issues' are in part to blame for service issues.
 - f. Royal Mail workers have worked exceptionally hard in difficult circumstances to keep services running.
2. Council assembly further notes that:
 - a. Despite ward councillors' and the local MP's efforts and discussions with Royal Mail, there has been no action taken to improve the service. This was compounded during the Christmas period when chaos at the sorting office meant that people were receiving post sent before Christmas well into the New Year.
 - b. That Royal Mail was part-privatised in 2013 with Liberal Democrat MP

Vince Cable as the Minister overseeing the privatisation, and fully privatised in 2015. Royal Mail finances since have deteriorated, leading to 2,000 job losses by June 2020 with a further 700 job losses announced. This has only exacerbated the issues that Southwark residents have been facing.

- c. Furthermore, the Liberal Democrats in coalition with the Conservatives botched the privatisation with the Business, Innovation and Skills committee reporting that this cost the taxpayer approximately £1bn. A private Royal Mail has gone on to asset strip, with the sale of Sylvester Road amongst many others with no regard to the impact this has had on service users.
3. Council assembly therefore resolves to:
 - a. Lobby Royal Mail to reopen a delivery office in the SE22 area.
 - b. Campaign to bring Royal Mail back into public ownership, with the Leader writing to the Chancellor to this effect.

Council-supported events and the Bermondsey Carnival

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

1. Council assembly notes that:
 - a. Southwark, like many parts of the world, has suffered from the Covid-19 pandemic with social activity and outdoor leisure severely limited in recent years.
 - b. In the last decade Southwark has developed into one of London's most vibrant and innovative locations for cultural and event activity.
 - c. The Council has faced significant cuts to its funding, with two thirds of government grants cut from the council's budget by successive Liberal Democrat and Conservative governments, leading to difficult decisions having to be made.
 - d. Despite financial and Covid-related challenges, the council continues to support an exciting series of free events, which take place throughout the year. From 2018 to 2022, the council supported 5,500 cultural events.
 - e. The commitments made in the 2021-22 Borough Plan that all event grant funding programmes deliver on Southwark Stands Together commitments and to ensure that 100% of funding for events is proportionately reflective of the demographic make-up of

the borough.

- f. Welcomes the establishment of the Cultural Celebrations Fund to encourage and promote community engagement and cohesion around the borough. The fund replaced the regular support of a small number of events with open access grants available to all community event organisers. Almost 30,000 people attended events across the borough in 2021-22.
 - g. Progress has been made to date, most notably that 27% of the 2021-22 funded event organisers through the Cultural Celebrations Fund came from Black, Asian and minority ethnic backgrounds, sharing 35% of the total grant funding but acknowledges there is more to do to ensure that funding is fully reflective of our population.
 - h. It takes a huge amount of effort from organisers and officers to ensure that events can happen in a way that remains respectful to local residents, and council assembly thanks everyone involved to ensure these events can happen.
2. Council assembly calls on cabinet to:
 - a. Explore ways in which revenue from events can be maximised whilst causing minimal disruption to local residents so that more community events and activities can be funded.
 - b. Publish a full list of events that receive funding from the council so that residents can see the diversity of events being funded.
 - c. Continue to work to support community events across our borough and ensure a range of events are supported.

Right to Food

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

1. Council assembly notes that:
 - a. We are seeing a crisis of food poverty borne out of political choices and systemic failings from successive governments since austerity began in 2010;
 - b. Food poverty should never be seen as inevitable, and notes that from 1997 to 2010 poverty reduced significantly (for instance the Institute for Fiscal Studies notes that the number of children in relative poverty fell by over 1.1 million from 1997-2010), showing that with sufficient political willpower these issues can be tackled;

- c. After a decade of government-imposed austerity, child poverty and hunger has increased significantly, and led to a precarious situation for many, even before the pandemic struck;
 - d. The pandemic has exacerbated problems and pushed more people into food poverty, with perhaps the worst yet to come. We know that in Southwark:
 - i. over 10,000 children are currently eligible for Free School Meals and therefore at risk of going hungry during the school holidays, with this number rising; and
 - ii. foodbank use in Southwark has increased four-fold since March 2020 when the coronavirus crisis took hold
 - e. The Government cut Universal Credit by £20 per week, which came into effect in October 2021 and has had a significant impact, noting the following:
 - i. the Joseph Rowntree Foundation - a charity which researches poverty - states millions of households will face an income loss equivalent to £1,040 a year;
 - ii. the charity Citizens Advice has warned that a third of people on Universal Credit will end up in debt due to the reduction, which will inevitably lead to more people being reliant on food banks; and the 5-week wait for Universal Credit impacts people's ability to pay bills and buy food, and believes that this wait is wholly unjustifiable and should be scrapped;
 - f. Tackling food poverty requires a borough-wide effort, across the Council and public services, the voluntary and community sector, communities and business, with a long term, structural approach to find lasting solutions and that, as such, the Council should continue to build on and update its borough-wide Food Access Plan
2. Council assembly notes the work that has already been done, including:
- a. A Food Security action plan has brought together the statutory and voluntary community sectors. The Southwark Food Action Alliance (SFAA) are focused on improving access to support for people with food insecurity, improve education and learning about sustainable food and improved access to healthy and affordable food for all.
 - b. Supported the development of community fridge, pantry and neighbourhood food models to help provide more dignity and community food resilience.
 - c. Implemented completing cultural foods audits which help ensure the

cultural appropriateness of food provided by hubs

- d. Implemented a Good Food retail programme that works with convenience stores to improve their healthy, culturally appropriate affordable food offer.
 - e. Supported over 16,000 children through food security interventions,
 - f. Offered food vouchers to families of all free school meal eligible children, delivering 162,674 meals to over 4,000 children, taking action in advance of the government's shameful U-turn on free school meals during Covid.
 - g. Provided over 29,500 food parcels to those who needed them the most during the pandemic.
 - h. As a result of Covid, refreshed and extended our current Food Security action plan until April 2022, prioritising resilience, access to affordable food and sustainability.
 - i. Being recognised as a Sustainable Food Place and developed a sustainable food strategy to replace current food security strategy post April 2022
 - j. Working collaboratively with over 60 organisations locally.
3. Council assembly therefore resolves to:
- a. Give its support to The Right to Food campaign, a national campaign which argues that the 11 million people in food poverty should be central to this strategy, and that 'Right to Food 'should be enshrined into law - clarifying government's obligations on food poverty and introducing legal avenues to hold government bodies accountable for violations.
 - b. Call for the Unite and Co-op backed 'Right to Food' to be incorporated into the National Food Strategy as well as call for a reversal to the £20 cut to universal credit, and asks the Leader of the Council to write to the Government to make this case.
 - c. Build upon its action plan to increase household food security to ensure that no household goes hungry.

Tamil Heritage Month

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

- 1. Council assembly observes that:

- a. The London Assembly in December unanimously passed a motion declaring support for Tamil Heritage Month in January.
 - b. Multiple councils celebrate the Tamil community. Harrow Council declared January Tamil Heritage Month in 2020. While, Kingston Council unveiled a plaque dedicated to its twin city, Jaffna in northern Sri Lanka, earlier this year.
 - c. January is significant for the Tamil community as it is also when they celebrate their Harvest Festival, Pongal.
 - d. The Tamil community has made an incredible contribution to the UK. The London Assembly has quoted estimates that 15,000 Tamil doctors, nurses and front-line health professionals work for NHS England. Many of them will have risked their safety by working during the covid-19 pandemic.
 - e. The community has also played a part in a range of fields such as in education and in the business sector. Their role in our society is evident in Southwark, as well.
 - f. Tamil people have encountered devastating violence outside of Britain. This includes the Sri Lankan civil conflict for which the UN opened an investigation into for alleged war crimes.
2. Council assembly resolves to:
- a. Recognise the contribution of this community by declaring January as Tamil Heritage Month in the borough of Southwark for future years.

Southwark's support for Ukraine

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

1. Council assembly strongly condemns Russia's invasion of Ukraine, and expresses our solidarity with the people of Ukraine. Council assembly:
 - a. Notes that over 1 million Ukrainians have been forced to leave the country fleeing the conflict, and that those people who have remained in the country are facing a humanitarian crisis.
 - b. Stands in solidarity with Ukraine and the Ukrainian people against Putin's illegal invasion, their friends and relatives here in Southwark, as well as Russian citizens who are bravely protesting against the war despite the serious risk to their own lives and safety.
 - c. Notes Southwark's commitment to being a borough of sanctuary, and that the council has a proud record of supporting refugees fleeing from

Afghanistan, Syria and many other conflicts, helping them to settle in the borough.

- d. Thanks Southwark residents and organisations who have already made generous donations to support Ukrainian refugees.
2. Council assembly also notes that there is much more the government can and should do, including:
 - a. A humanitarian response to the refugee crisis by opening more routes for Ukrainian nationals to come to the UK, equivalent to those already offered by other European countries.
 - b. Working with local authorities to adequately resource and plan for the potential resettlement of people from Ukraine in order to provide crucial services for refugees including access to housing, employment, education, social care and mental health support.
 - c. Continuing to send crucial aid to Ukraine.
 - d. Making sure that oligarchs in the UK who are linked to the Putin regime have their assets seized before they have the opportunity to sell them.
 3. Council assembly therefore calls on the cabinet to:
 - a. Support Ukrainian refugees, working in collaboration with the local voluntary and community sector as part of the council's pledge as a borough of sanctuary for those fleeing conflict.
 - b. Lobby the government to do more to open safe routes for refugees fleeing Ukraine to come to the UK, and to provide resources for councils to support refugees
 - c. Use the council's channels to promote information and resources to support Ukrainian residents and anyone impacted by the conflict, and signpost how residents can help with the effort.

Making Borough and Bankside and St George's fairer, greener and safer

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

1. Council Assembly observes that the Labour administration has delivered a fairer, greener and safer future for Borough and Bankside and St George's by:
 - a. Spending £350,617 of the administration's Cleaner, Greener, Safer money supporting 49 projects on Borough and Bankside and £227,331 on 31 projects in St George's.
 - b. Delivering 74 new council homes in the area despite the sparsity of available council-owned land so that more families can live in the borough they call home.

- c. Finding shelter for people sleeping rough by the Imperial War Museum over Christmas 2019, as part of the Council's success in rehousing over 300 rough sleepers into long-term homes.
 - d. Installing a permanent memorial to the London Bridge and Borough Market terror attack victims.
 - e. During Covid-19 lockdowns, distributed food to residents and arranged collections of prescriptions from pharmacies as part of the council's effort to help over 73,000 vulnerable residents through the Covid pandemic.
 - f. Using CGS money to invest in 34 gardening projects and create 10 cycle hangers across the two wards.
 - g. Supporting residents suffering from the impacts of noise on their homes, such as those generated from busking, licensing and construction activities, working collaboratively to mitigate the impact of noise pollution on residents.
 - h. Supported the opening of a pop up LGBT+ cultural space in Bankside
 - i. Installing 8 bike hangars in St George's and 7 bike hangers in Borough and Bankside, ensuring that Borough and Bankside residents benefit from two new cycleways with three more due to be completed by May 2022.
 - j. A new school street for Charles Dickens Primary School and Charlotte Sharman Foundation Primary School.
 - k. Supporting the Central School of Ballet to move to Bankside.
 - l. Working with the University of the Arts London (UAL) to secure a permanent home for them at Elephant and Castle.
 - m. Using CIL funding to support a revamp of Marlborough Sports Gardens.
2. To maintain momentum following the good progress already made, Council Assembly therefore calls upon Cabinet to:
- a. Invest over £60m to create a new Northern Line station at Elephant & Castle as part of a 21st century transport hub.
 - b. Continue to lobby for the Bakerloo Line extension so that Borough and Bankside is better connected.
 - c. Campaign for an improved and accessible Elephant and Castle train station

- d. Complete the build of a permanent LGBTQ+ cultural space at Bankside Yard.
- e. Ensure that Borough and Bankside and St George's benefits from Southwark Labour's pledge to create more good jobs, cut the council's carbon emission by half, make our streets and estates safer, build more homes local people can afford and support our most vulnerable residents.

Making Bermondsey fairer, greener and safer

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

1. Council Assembly observes that the Labour administration has delivered a fairer, greener and safer future for Bermondsey by:
 - a. Spending £1,272,373 of the administration's Cleaner, Greener, Safer money supporting 154 projects in Bermondsey.
 - b. Delivering 624 new council homes despite the sparsity of council-owned land in Bermondsey to ensure that more families can live in the borough they call home.
 - c. Tackling air pollution on the congested Jamaica Road by delivering Cycleway 4 and investing in cycle hire stands and greenery on the road.
 - d. Renewing street lighting and improved road safety.
 - e. Securing over £2m to transform the Blue in South Bermondsey, upgrading the market and securing a new multi arts centre.
 - f. Using CGS money to invest in 45 gardening projects and create 33 cycle hangers across Bermondsey.
 - g. Delivering new homes in Welsford Street in South Bermondsey with 10 family houses. Also delivering Cherry Gardens School on site with 26 new council homes.
 - h. Working in partnership with Leathermarket JMB in London Bridge and West Bermondsey to deliver 27 new homes at Marklake Court.
 - i. Delivering a new community space and home for our Southwark Young Advisers at 231 Old Kent Road.
 - j. Installed rooftop solar at Ellen Brown Children's Centre as part of delivering our Climate Emergency Strategy.

2. To maintain momentum following the good progress already made, Council Assembly therefore calls upon Cabinet to:
 - a. Deliver major improvements to Guy's Park
 - b. Upgrade Bermondsey Spa Gardens adventure playground with new play equipment.
 - c. Work with residents to deliver major improvements to the Abbeyfield Estate.
 - d. Work with the Mayor of London to upgrade South Bermondsey station.
 - e. Ensure that Bermondsey benefits from Southwark Labour's pledge to create more good jobs, cut the council's carbon emission by half, make our streets and estates safer, build more homes local people can afford and support our most vulnerable residents.

Making Surrey Docks fairer, greener and safer

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

1. Council Assembly observes that the Labour administration has delivered a fairer, greener and safer future for Surrey Docks by:
 - a. Spending £467,585 of Cleaner, Greener, Safer money supporting 34 projects in Surrey Docks.
 - b. Improving access to full fibre broadband in Rotherhithe, working with providers to extend full fibre to all council estates, and securing new partnership with Openreach to further upgrade full fibre broadband across the Pensisula.
 - c. Supporting local residents with training through the Southwark Construction Skills centre, through its new homes at Canada Water.
 - d. Delivering 3 new bike hangars in Surrey Docks with 2 more completed by May 2022.
 - e. Ensuring that Surrey Docks residents benefit from Quietway 14 and linking Surrey Docks in with the Rotherhithe to Peckham cycleway.
 - f. Delivering more council housing in Surrey Docks including 8 homes at Fisher Close, 16 at Salter Road, 19 at Danny McCarthy House and 71 at Canada Water K1 site all bought through section 106 commitments.

- g. Using £500,000 of CIL money to refurbish community buildings at the Surrey Docks Farm.
 - h. Allocating £3m to fund improvement works to South Docks Marina, working with berth-holders and the local community to develop the boatyard and marina into a centre of excellence.
2. To maintain momentum following the good progress already made, Council Assembly therefore calls upon Cabinet to:
- a. Open a new leisure centre at Canada Water and campaign for a pedestrian and cyclist river crossing.
 - b. Create a brand new park within a short walk from Surrey Docks that residents can enjoy.
 - c. Ensure that Surrey Docks benefits from Southwark Labour's pledge to create more good jobs, cut the council's carbon emission by half, make our streets and estates safer, build more homes local people can afford and support our most vulnerable residents.

22. APPOINTMENTS TO OUTSIDE BODIES 2022-23

RESOLVED:

That appointments to the outside bodies listed in Appendix A of the report for the 2022-23 municipal year be agreed as follows:

Better Bankside Board

Councillor Helen Dennis

Blue Bermondsey Bid Board

Councillor Cassandra Brown

Board of Southwark College Corporation

Councillor Martin Seaton

Browning Estate Management Association

Councillor Martin Seaton

Canada Water Consultative Forum

Councillor Helen Dennis

Councillor Kath Whittam
Councillor Jane Salmon

Capital Letters (Boroughs' Representative Body (BRB))

Councillor Darren Merrill

Central London Forward

Councillor Kieron Williams

Central London Forward (Employment and Skills Board)

Councillor Martin Seaton

Centre for Literacy in Primary Education

Councillor Jasmine Ali

Cross River Board

Councillor Helen Dennis

Crystal Palace Community Development Trust

Councillor Catherine Rose

Greencoats Studios (UAL, Wilson Road) Steering Group

Councillor Ellie Cumbo
Councillor Barrie Hargrove

Groundwork London, Local Authority Strategic Input Board

Councillor Catherine Rose

Guys and St. Thomas NHS Foundation (Council of Governors)

Councillor Emily Hickson

Kings College Hospital NHS (Council of Governors)

Councillor Dora Dixon-Fyle MBE

London Bridge Improvement District BID

Councillor Martin Seaton

London Road Safety Council (LRSC)

Councillor Catherine Rose
Councillor Richard Livingstone

London Youth Games Limited

Councillor Alice Macdonald

Millwall for All

Councillor Leo Pollak

Newable Limited (formerly Greater London Enterprise)

Councillor Martin Seaton

North Southwark Environment Trust

Councillor Kath Whittam

Oru Space (20-22 Lordship Lane) Steering Group

Councillor James McAsh
Councillor Charlie Smith

Peckham Levels Steering Group

Councillor Chloe Tomlinson
Councillor Reggie Popoola

Peckham Palms Steering Group

Councillor Jasmine Ali
Councillor Evelyn Akoto

Potters Fields Park Management Trust

Councillor Alice Macdonald
Caroline Bruce, council's strategic director of environment and leisure

Plastic Free East Dulwich

Councillor Charlie Smith

Plastic Free Peckham

Councillor Cleo Soanes

Shared ICT Services Joint Committee

Councillor Stephanie Cryan
Councillor Dora Dixon- Fyle MBE

South Bank and Waterloo Partnership

Councillor Martin Seaton
Councillor Victor Chamberlain
Councillor David Watson
Councillor Irina Von Wiese

South Bank Business Improvement District Ltd

Councillor Martin Seaton
Councillor Irina Von Wiese

South Bermondsey Big Local Partnership Steering Group

Councillor Sunny Lambe
Councillor Richard Livingstone

South London Gallery Trustee Limited

Councillor Jason Ochere
Councillor Cleo Soanes
Councillor Sandra Rhule

South London and Maudsley (SLaM) NHS Trust Members Council

Councillor Natasha Ennin

Southwark and Lambeth Archaeological Excavation Committee (SLAEC)

Councillor Richard Leeming
Mr. Bob Skelly (Deputy)

Southwark Construction Skills Centre ("The Centre")

Councillor Martin Seaton

Safer Neighbourhood Board (Southwark)

Councillor Dora Dixon-Fyle MBE

WeAreWaterloo BID (Business Improvement District)

Councillor Graham Neale

Walworth Group

Councillor Sam Foster

23. NOMINATIONS TO PANELS, BOARDS AND FORUMS 2022-23**RESOLVED:**

That the allocation of places to the panels, boards and forums set out in Appendix A of the report for the 2022-23 municipal year and member nominations be agreed as follows:

Joint Partnership Panel (Trade-union consultation)

Councillor Kieron Williams
Councillor Stephanie Cryan

Homeowners Service Charge Arbitration Panel

Councillor Charlie Smith
Councillor Renata Hamvas
Councillor Sunny Lambe
Councillor Sandra Rhule
Councillor Margy Newens
Councillor Kath Whittam
Councillor Sabina Emmanuel
Councillor Suzanne Abachor
Councillor Maria Linforth-Hall
Councillor Jane Salmon

Tenancy and Leasehold Arbitration Tribunals

Councillor Charlie Smith
Councillor Renata Hamvas
Councillor Sunny Lambe
Councillor Sandra Rhule
Councillor Margy Newens
Councillor Kath Whittam
Councillor Sabina Emmanuel
Councillor Suzanne Abachor
Councillor Maria Linforth-Hall
Councillor Jane Salmon

Southwark Safeguarding Adults Board

Councillor Evelyn Akoto
Councillor Dora Dixon-Fyle MBE

Southwark Safeguarding Children's Board

Councillor Jasmine Ali

Standing Advisory Council on Religious Education

Councillor Sandra Rhule
Councillor Laura Johnson
Councillor Graham Neale

Southwark Tenant Management Organisation Committee

Councillor Darren Merrill
Councillor Richard Livingstone
Councillor Esme Hicks
Councillor Jane Salmon

The meeting ended at 12.25pm

CHAIR:

DATED:

DEADLINE FOR NOTIFICATION OF CALL-IN UNDER SECTION 17 OF THE OVERVIEW AND SCRUTINY PROCEDURE RULES IS MIDNIGHT, WEDNESDAY 22 JUNE 2022.

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: 18 July 2022	Meeting Name: Cabinet
Report title:		Schools Inclusion Charter	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Jasmine Ali, Deputy Leader and Cabinet Member for Children, Young People and Education	

FOREWORD - COUNCILLOR JASMINE ALI, DEPUTY LEADER AND CABINET MEMBER FOR CHILDREN, YOUNG PEOPLE AND EDUCATION

I am delighted to bring the School Inclusion Charter to this July 2022 Cabinet.

In 2017-18, Members were rightly concerned about a steep increase in permanent school exclusions. There were 49 pupils excluded from school in 2018, but in 2019, this was reduced to 36 and by 2020, the number was 10.

This reduction of permanent exclusions reflects excellent partnership working between the council, schools and families. We want all of our children in education, and that is what the attached Charter is all about.

The Charter spells out the collective aspiration of the council, local schools and all of the partners in the safeguarding board for 100 percent inclusion of children in education that keeps them safe and enables them to flourish.

This approach was launched at the 2020 *Keeping Children in Education* conference where the council, schools and other partner agencies – plus a young person with personal experience of exclusion – came together to prioritise education inclusion.

We are proud to have 95 percent good and outstanding schools, helping our children and young people to attain as at the same level as their counterparts in well-heeled boroughs.

Nevertheless we are not talking about a simple rosy picture here. We see poverty, we see inequality, we see gangs and violence and we have seen children excluded from education.

So in this Charter we are addressing challenges as well as celebrating success, making pledges for a future of continuous improvement.

I want to thank my colleagues: Councillor Babudu for his inspiring exclusions scrutiny, and Councillor Akoto for raising the curtain on the link between youth violence, off-rolling and exclusion.

I would also like to thank everyone involved in the task and finish group that I chaired on school inclusion that have worked hard to reduce exclusions and produce the charter: Cassie Buchanan; Declan Jones; Eleanor Prestage; Fiona Corcoran; Helen Ingham; John Taylor; Marcus Huntley; Mark Hillman; Michael Baxter; Peter Groves; Serge Cefai, Sister. Anne Marie Niblock; Yomi Adewoye; Saskia Agyemang; Jenny Brennan; David Bromfield; Glenn Garcia; Laverne Noel; Yvonne Ely; Ian Morris; Clara Fiti; Scott Compton; Kevin Morris; Peter Gray; Mark Vickers and Adam Tedesco

We find it deeply disturbing that children who are looked after, living in poverty, have special education needs or from certain Black Asian Minority Ethnic backgrounds are disproportionately excluded from school. We examined all of these factors and looked closely at alternative provision in Southwark.

Our approach on inclusion is less about ‘disruptive’ and ‘excluded’ ‘youths’ and more about how we can help *vulnerable children*.

The Charter was drawn up by everyone involved in the task and finish group and reflects the good work that already goes on between the council and schools. It builds on our commitment to support 100 percent of children and young people with a mental health need, the subsequent outreach support that goes into schools from our mental health hub the Nest, and our £2m investment into mental health prevention in schools.

Southwark is not just a partner: it is a parent and the responsible authority. Our duty is to protect our children. So we have to work hard to prevent them being excluded. We want our to stay in school, so they get the best education and a fair start in life, so they have less chance of mental health issues, less chance of ending up on drugs, in gangs or in prison, and so they are safer.

And so today, in this Charter, we are asking all of our partners in Southwark schools, on the council and in the safeguarding board to sign up to a new commitment, to work together for 100 percent inclusion of Southwark children in education

RECOMMENDATION

1. That the Southwark Inclusion Charter as set out in Appendix 1 be agreed by the Cabinet and signed by the Deputy Leader and Cabinet Member for Children, Young People and Education.

BACKGROUND INFORMATION

2. A *Keeping Children in Education* Conference was held on 16 January 2020. Colleagues from schools, the council and partner agencies were in attendance with the collaborative aim:

“To recognise and value the work done by Southwark Schools to keep children in education, share what works, identify what gets in

the way and agree the next steps to improve a whole system approach to ensure all children in Southwark receive the education they need.”

3. The context for the conference was concern over the increase in permanent exclusions and data showing a disproportionate impact on Black children. The partnership engagement recognised the need for this to be addressed through a whole system strengths based approach.
4. The conference was supported by Councillor Jasmine Ali, Deputy Leader and Cabinet Member for Children, Young People and Education, who also reported to the council's Education and Business Scrutiny Commission on Exclusions and Alternative Provision held in 2020.
5. A follow up session with nominated head teachers reviewed the outcomes of the conference and agreed to establish a Task & Finish group chaired by Councillor Ali to address 3 key areas:
 - I. What should Southwark Alternative Provision (AP) look like going forward?
 - II. How do we reduce exclusions and inequalities in access and achievement in education?
 - III. How can schools and council officers be supported to employ best practice in promoting 100% inclusion?
6. With the impact of COVID-19, particularly on schools, it was agreed to pause these next steps and the Task & Finish Group was subsequently re-launched in April 2021 when Councillor Ali continued in her role as chair.
7. The first meeting was held on 26 April 2021 and attended by 12 school leaders, council representatives and a young adult with lived experience of the local education system. The group proposed an Inclusion Charter to be drafted alongside further sessions focusing on SEND, this was held on 12 May 2021, and the review of our Pupil Referral Unit (SILS) was held on 23 September 2021.
8. The draft Inclusion Charter was considered and updated following a workshop session with 11 school representatives and the young persons' representative alongside council staff. The updated version was subsequently circulated to Southwark Association of Secondary Heads (SASH) for additional comments which were provided by individual schools and further iterations followed their meeting on 18 March 2022.
9. The final meeting of the Task & Finish Group was an opportunity to review the additional resources working in school to promote inclusion including:
 - Social Workers in Schools

- Mental Health Support Teams in Schools
 - The AP Taskforce; and
 - How the newly proposed SAFE Taskforce would support the inclusion agenda.
10. At their meeting on 13 May 2022 SASH members agreed to circulate the final version to their members and they would individually confirm their commitment and signature. All schools in Southwark will be asked to commit and sign the Inclusion Charter in June 2022.
 11. Recognising the crucial role of multi-agency partners in promoting and supporting schools in responding to inclusion needs, the members of the Safeguarding Children's Partnership were also asked on 11 May 2022 to commit to the Inclusion Charter, and they did.

KEY ISSUES FOR CONSIDERATION

12. An ambition for 100% Inclusion in education recognises that whilst the vast majority of our children are engaged with their schooling there are 2%, equating to approximately 1000 children who are suspended temporarily each school year and 0.02% who are permanently excluded.
13. In order to monitor the impact of multi-agency commitment to the Inclusion Charter a monitoring group of key agency leads will be established to agree key performance indicators and a cross system review will be undertaken in 2023.
14. In August 2020, our senior leadership and cabinet members signed off our council pledges and commitment to tackle racism and inequality in the borough of Southwark. The Inclusion Charter directly addresses and supports the Education workstream¹ recommendation to “aspire to end all school exclusions”.

Policy framework implications

15. The Inclusion Charter supports the Borough Plan to provide children with a Great Start in Life and objective to ‘*work towards 100% inclusion of pupils in Southwark Schools*’.
16. In October 2020 Cabinet agreed to the recommendations of the July 2020 Education and Business Scrutiny Commission. The first of these recommendations was that:

“Southwark Council should champion a 100% inclusion commitment in conjunction with schools, embodied in a mutually agreed Charter and an annual inclusion report to track progress against its 100% inclusion target.”

¹ [Appendix 1 Workstream recommendations.pdf \(southwark.gov.uk\)](#)

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

Community impact statement

17. Exclusion from school is widely recognised as having an adverse impact on children. There is considerable evidence of a negative impact on social mobility, economic outcomes, health and wellbeing². The Timpson review (2019³) highlighted “longstanding trends that show exclusion rates vary between pupils with different characteristics...Children with some types of SEN, boys, those who have been supported by social care or are disadvantaged are all consistently more likely to be excluded from school than those without these characteristics” and “Exclusion rates also vary by ethnicity”.
18. Southwark exclusion rate (0.02) shows a positive reduction and we are now below Inner London (0.04) and National (0.06) rates. However, data still indicates a disproportionate rate of exclusion for children on Free School Meals (2.5 times higher) and SEN support (2.2 times higher). There has been an increase in the number of girls receiving a permanent exclusion and there is now a similar rate for both genders. Ethnicity data shows a disproportionate rate of permanent exclusion for Black Caribbean children which is almost six times higher than the rate for White British children (0.51 compared to 0.09).
19. The Inclusion Charter has been ‘driven by a shared recognition that permanent exclusion from education can have a significant negative impact on the wellbeing of children and their future. We are further motivated by our desire to confront and tackle inequalities exposed by the disproportionate exclusion of children with particular characteristics’
20. The equality and health analysis demonstrates that the Inclusion Charter aims to address the existing discrimination and offers all appropriate opportunities to advance equality of opportunity for children with different protected characteristics.

Equalities (including socio-economic) impact statement

21. Please see paragraphs 17 – 20 of the report.

Health impact statement

22. Please see paragraphs 17 – 20 of the report.

Climate change implications

23. Inclusion of children in their existing educational establishment will ensure optimisation of current facilities thereby eliminating unnecessary waste

² [Our Problem: school exclusion — The Difference \(the-difference.com\)](https://www.the-difference.com/our-problem-school-exclusion)

³ [Timpson Review of School Exclusion \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

and pollution. A modest reduction in travel is achieved by children attending local schools rather than alternative provision further from home.

Resource implications

24. There are no specific additional council resource implications to the provision within Family Early Help and the Education Inclusion Team staffing; alongside the work with Education colleagues and support for SILS and Alternative Provision.
25. In their commitment to the Inclusion Charter partners will be recognising the importance of multi-agency working to address children's needs and the effectiveness of early intervention.

Legal implications

26. The local authority has statutory obligations to support school attendance under Section 444(1) 444(1A) and 444(ZA) of The Education Act 1996.
27. Guidance is also issued by the DfE on the local authority's role in promoting attendance⁴.

Financial implications

28. There are no specific additional council financial implications to the provision but council staff will work with others (e.g. the SAFE Taskforce and AP Taskforce) to ensure any additional funding to support children at risk of exclusion or excluded from school are maximized.

Consultation

29. Initial consultation with parents and children for the Keeping Children in Education Conference was undertaken in 2019/20. A young person with lived experience was part of the Task and Finish Group who developed the Inclusion Charter.
30. Additional engagement with parents will be undertaken during 2022.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Head of Procurement

31. Not applicable.

Director of Law and Governance

32. The report refers to the DFE guidance on the support the council should

⁴ [Improving school attendance: support for schools and local authorities - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/guidance/improving-school-attendance-support-for-schools-and-local-authorities)

provide for enabling the attendance of children at school. In addition the council has a statutory duty to arrange suitable full-time education for permanently excluded pupils, and for other pupils who – because of illness or other reasons – would not receive suitable education without such provision. This is in accordance with section 19 Education Act 1996. Statutory guidance regarding exclusions and alternative provision has been issued by the DFE.

33. Under section 149 of the Equality Act 2010, in making this decision, the Cabinet must comply with its public equality duty which requires it to have due regard to the need to (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
34. The community impact statement refers to some of the negative impacts on those with protected characteristics arising from school exclusions and reference is also made to a equalities impact assessment that will be included. These are all relevant matters that the Cabinet should give due regard to, in considering this report.
35. The establishment of this policy is an executive function which can be determined by the Cabinet in accordance with the Local Government Act 2000 and Part 3B of the council's Constitution.
36. The report makes reference to consultation that has already been carried out and is intended to be undertaken in 2022. Whilst there is no statutory requirement for consultation in establishing this policy, the Cabinet should take the results of the consultation into account in finalising this policy.

Strategic Director of Finance and Governance (REF:08DK2022-23)

37. The Strategic Director of Finance and Governance notes the contents of this report, and in particular the comments contained within the Financial Implications section. It is not anticipated that the Inclusion Charter will lead to additional costs to the Council

BACKGROUND DOCUMENTS

Background documents	Held At	Contact
20 October 2020 Cabinet report – Item 20: Report from the Education and Business Scrutiny Commission: Exclusions and Alternative Provision	Children’s and Adults’ Services Children and Families Directorate 160 Tooley Street, London, SE1 2QH	Jenny Brennan 020 7525 7886
Link (please copy and paste into browser): https://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=6663&Ver=4		
Southwark’s Borough Plan	Children’s and Adults’ Services Children and Families Directorate 160 Tooley Street, London, SE1 2QH	Jenny Brennan 020 7525 7886
Link (please copy and paste into browser): https://www.southwark.gov.uk/council-and-democracy/fairer-future/council-plan		
Education Act 1996	Children’s and Adults’ Services Children and Families Directorate 160 Tooley Street, London, SE1 2QH	Jenny Brennan 020 7525 7886
Link: https://www.legislation.gov.uk/ukpga/1996/56/contents		
Social Value Act 2012	Children’s and Adults’ Services Children and Families Directorate 160 Tooley Street, London, SE1 2QH	Jenny Brennan 020 7525 7886
Link (please copy and paste into browser): https://www.gov.uk/government/publications/social-value-act-information-and-resources/social-value-act-information-and-resources		

Background documents	Held At	Contact
Equalities Act 2010	Children's and Adults' Services Children and Families Directorate 160 Tooley Street, London, SE1 2QH	Jenny Brennan 020 7525 7886
Link: https://www.legislation.gov.uk/ukpga/2010/15/contents		
Southwark Council's Climate Change Strategy	Children's and Adults' Services Children and Families Directorate 160 Tooley Street, London, SE1 2QH	Jenny Brennan 020 7525 7886
Link: https://www.southwark.gov.uk/environment/climate-emergency?chapter=2		
Southwark Stands Together	Children's and Adults' Services Children and Families Directorate 160 Tooley Street, London, SE1 2QH	Jenny Brennan 020 7525 7886
Link (please copy and paste into browser): https://www.southwark.gov.uk/engagement-and-consultations/southwark-stands-together		

APPENDICES

No.	Title
Appendix 1	Southwark Inclusion Charter 2021

AUDIT TRAIL

Cabinet Member	Councillor Jasmine Ali, Deputy Leader, Children Young People, and Education	
Lead Officer	David Quirke-Thornton, Strategic Director of Children's and Adults' Services	
Report Author	Jenny Brennan, Assistant Director of Family Early Help & Youth Justice	
Version	Final	
Dated	7 July 2022	
Key Decision?	Yes	
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	7 July 2022	

APPENDIX 1

Southwark Inclusion Charter 2021

Our aspiration is for 100% inclusion of children in education that keeps them safe and enables them to flourish

Introduction

Children have a fundamental right to a good education. Everyone has a part to play in reducing barriers to education, and we are all accountable and responsible for supporting inclusion in Southwark.

The Southwark Inclusion Charter is a joint undertaking between the council, schools, health services (including mental health), colleges, and safeguarding partnership agencies across the borough, with the expectation that all relevant parties will endorse it.

The need for the Charter is driven by a shared recognition that permanent exclusion from education can have a significant negative impact on the wellbeing of children and their future. We are further motivated by our desire to confront and tackle inequalities exposed by the disproportionate exclusion of children with particular characteristics.

Our Charter principles

1. We will commit to supporting a robust multi-agency approach to working with those children who are struggling with inclusion at an early stage. This will emphasise solution-focused interventions between the family, the school, and professionals from services including SEND, Child and Adolescent Mental Health, School Nursing, Family Early Help, Children's Social Care, Youth Offending and the Police.
2. Our approach to inclusion will be driven by evidence of what works in practice for our children in Southwark, and models of practice that promote an inclusive education environment will be identified and shared.
3. We will develop and continually evaluate high quality Alternative Provision for children who may need to be outside mainstream settings.
4. We will ensure that children's additional needs are identified early, clearly communicated and supported through evidence-based interventions that are regularly reviewed for impact.
5. We will identify what policy actions we can take to be more inclusive of students from a wider range of social and cultural backgrounds.
6. We will identify the inequalities that drive disproportionate exclusions and put actions in place to better understand and specifically address them. Additional

multi-agency support will be provided where there are high levels of exclusion.

7. We will communicate clearly and honestly with parents and children when there are issues with inclusion and build relationships by proactively engaging them in solutions and decision-making.
8. We will not encourage parents to explore Elective Home Education as a resolution to issues with inclusion.
9. We recognise that change - such as the transition to secondary school - requires effective communication between phases, and we will provide additional multi-agency support to children who will struggle with new expectations of behaviour.
10. We believe that managed moves can provide an effective 'fresh start' and we will agree a Southwark protocol to promote best practice. Any discussions with a child or parent around moving school should not take place informally or unofficially, but form part of a properly planned process.
11. Where appropriate, we will implement a trauma-informed response to behaviour of concern in children. By this, we mean not taking concerning behaviour at face value, but striving to understand what is driving that behaviour.
12. We will strive for best practice across our policies and processes and towards 100% inclusion approaches to behaviour in education settings, whilst recognising that there are rare instances where exclusion is unavoidable to safeguard children.
13. We recognise that engagement of vulnerable children requires skilled staff with the qualities of persistence and consistency and we will provide appropriate training and support.
14. In delivering the Southwark Inclusion Charter we will commit to collaboration and respectful communication through a restorative approach: working *with* children, rather than doing things *to* them or *for* them.

Item No. 10.	Classification: Open	Date: 18 July 2022	Meeting Name: Cabinet
Report title:		Climate Change Citizens' Jury – Response to Recommendations	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Helen Dennis, Climate Emergency and Sustainable Development	

FOREWORD - COUNCILLOR HELEN DENNIS, CABINET MEMBER FOR THE CLIMATE EMERGENCY AND SUSTAINABLE DEVELOPMENT

I want to take the opportunity to thank our Climate Change Citizens' Jury once again for such a considered and constructive report, and in this detailed response from the Council, I hope that Jurors' will see how their contributions are helping to shape policy and funding commitments going forward. In setting up the Jury when we did, it was our hope that their deliberations would help us build on our initial Action Plan, by teasing out priorities for Southwark residents, in a context of extreme budget pressures and lots of competing demands. In their 20 recommendations for the borough, which we have broken down in this report into 93 sub-headings, we have been presented with rich and varied ideas, which touch on all aspects of Southwark life – from housing to transport, business to wellbeing.

In comparing the Jury recommendations against our existing Action Plan, we have been immensely encouraged by the overall alignment and support for our direction of travel across key areas. And of the 93 sub-recommendations, we are pleased to be able to support 88% of these through existing, revised or new actions in our Climate Action Plan, which is being brought forward alongside this response to the Jury.

There are of course calls within the Citizens' Jury report, for action to be sped up across a number of areas and in response, we have been exploring ways in which we can allocate the remainder of the Climate Capital Fund to priorities which resonate with the Jury and which deliver the carbon savings that we need to see across Southwark. I'm delighted that we can invest an additional £1m in the top Jury recommendation – "Make Walking Great Again" to deliver improvements for pedestrians across the borough, and we will also be allocating further funding to enhance green spaces, supporting biodiversity and wellbeing. There are some areas highlighted by the Jury, where we have limited powers but where advocacy is required – "Accessible, Affordable and Appealing Public Transport" is one such area, and we will continue to make the case to government for a long-term Transport for London (TfL) funding

settlement, and for continued investment in local bus provision, including electrification.

The Jury also call on the Council to focus on the energy efficiency of housing, and especially at this time, with fuel bills spiralling, we couldn't agree more about the importance of action in this area. Our forthcoming Council Delivery Plan will also include action to make council homes warmer, and over the coming months, we will set out further detail including through our £1m project to replace windows in council street properties, our partnership with 'Warmfront', through the release of carbon offset funding (AKA the 'Green Buildings Fund') for social housing projects, and a bid to Wave 2 of the government's Social Housing Decarbonisation Fund. Beyond our own council homes, we are also committed to using our licensing powers to require and incentivise improvements in the private rented sector, and we will be establishing a free Green Homes Advice Service to support home-owners wanting to take climate action in relation to their own properties.

Finally, within their top five proposals, the Jury have also supported calls for greater transparency and accountability regarding the Council's own climate plans, an area that we have been working on intensively to deliver, also in line with recommendations from the Overview and Scrutiny Committee. We were pleased that the Climate Emergency UK assessment of our Climate Action Plan earlier this year, was overwhelmingly positive, but we also recognise room for improvement, which is why the updated Action Plan this year provides further detail on timescales, resourcing and ownership of actions, and is intended to sit as a 'live dashboard' on the updated climate pages of the Council's website.

Addressing the Climate Emergency across our borough is a complex and resource-intensive task, requiring not only action and investment from the Council, but from key partners and of course from residents themselves. A year into this role, I have been heartened and inspired by the energy and ideas coming forward from so many different groups and individuals committed to climate action, and in the case of the Citizens' Jury, by the consensus for action which emerged from this intensive and deliberative process, involving some who were relatively new to the topic. We will continue to reflect on this report and the invaluable Jury process as we move forward with our plans for addressing climate change in Southwark, and enhancing our community engagement over the coming months and years.

RECOMMENDATIONS

1. Notes the council response to the jury's recommendations and the progress made to date.
2. Agrees to amend the council's climate change strategy and action plan in line with the jury's recommendations, as set out in the report.
3. Agrees to continue reporting progress against jury recommendations as part of the annual reporting on the climate change strategy and action plan and associated smart actions.

BACKGROUND INFORMATION

4. The council's Climate Change Citizens' Jury presented its recommendations to the council in March 2022. This followed 30 hours of learning, discussion and deliberation in response to the question 'What needs to change in Southwark to tackle the emergency of climate change fairly and effectively for people and nature?'
5. The jury was made up of 25 members, all residents of Southwark, who represented the full diversity of the borough. The jury met over a number of months, hearing from a range of expert speakers on the science of climate change, its local impact and where the borough's emissions are generated. The jury also selected a number of key topics to learn about and discuss in more detail, these consisted of housing/buildings, transport and business.
6. The March 2022 Cabinet Report provides full information on the reasons for establishing the jury and the jury process itself, from start to finish. A copy of this report can be found [here](https://moderngov.southwark.gov.uk/documents/s105587/Report%20Climate%20Change%20Citizens%20Jury.pdf) (https://moderngov.southwark.gov.uk/documents/s105587/Report%20Climate%20Change%20Citizens%20Jury.pdf).
7. In total 20 detailed recommendations were received, covering topics including housing, planning, transport, waste and business alongside suggested improvements to governance, resourcing and communication within the council. While the majority of the recommendations are for the council, there are also those focused at a national political level, for local businesses and for residents.
8. This report should be considered alongside the Climate Emergency Annual Report and Update of the Change Strategy and Action Plan. This report sets out the council's transition to SMART climate actions, that will be published online and form a central part of reporting the council's progress going forward.

KEY ISSUES FOR CONSIDERATION

9. The 20 recommendations contained a significant amount of detail, and numerous sub points. Each recommendation is responded to within the body of this report, highlighting the level of support from the council and the opportunity to deliver on the stated recommendation.
10. Appendix A splits the recommendations into their sub parts and provides a response to each part.
11. In total there are 93 sub recommendations contained in Appendix A. Each recommendation has been reviewed against the council's actions within the current 2021 Climate Action Plan in order to determine the status of the recommendation against the following criteria;

- Covered: the jury recommendation is already aligned closely with an existing action within the Climate Action Plan. The relevant action(s) is listed in Appendix A.
 - Part-covered: the jury recommendation is partly covered and can be fully addressed with a minor change to wording of an existing action. The relevant action, and new wording, is listed in Appendix A.
 - Other Strategy: the jury recommendation is relevant to the council's work but best aligns within another council strategy. The relevant strategy is listed accordingly.
 - New Action: the jury recommendation has been added to the updated Climate Action Plan, as it was not adequately covered in an existing action.
 - Not Included: the jury recommendation is either not relevant to the Climate Action Plan and reduction of emissions or it does not align with existing or future council policy. It may also be that the recommendation is outside of the council's scope of influence.
12. The overall breakdown of actions against the categories listed above is illustrated in the table below. Of the 93 sub recommendations made by the jury, 88% are either covered/part covered in the Climate Action Plan, have been added as new actions or are referenced in other council strategies. A breakdown of those actions which fall into the respective categories is shown in Appendix A. Of the 11 sub recommendations not currently included, several are to be considered at a future time or beyond the scope of the council's control.

Categories	Number of Actions
Covered	38
Part-covered	9
Other Strategy	22
New Action	13
Not Included	11

13. Where possible, jury recommendations are being built into the council reporting of progress against climate actions. This will allow for progress to be reported via a live dashboard on the council's website, rather than requiring an annual update against actions. This will ensure the latest information is available to jury members and residents on an ongoing basis.
14. The council welcomes the time, energy and effort jury members committed to the process. While many of the recommendations align with existing work, there are also a number which push the council to deliver at a quicker pace, on issues that the jury consider of vital importance.
15. The following section details the jury recommendations in full with the council's response. As detailed in the March 2022 Cabinet Report, jury members voted on the recommendations, from strongly support to

strongly oppose. This resulted in each recommendation being ranked in priority order. Each ranking is included in brackets in the title boxes below.

RESPONSE TO JURY RECOMMENDATIONS

16.

1. Housing and Buildings (=7th)
<p>Wellbeing</p> <p>Climate change cannot be considered in isolation. We want a liveable Southwark. New builds should always have wellbeing as a central consideration.</p> <p>This includes:</p> <ol style="list-style-type: none"> a. 15 mins walk to essential services (15 min city), designing in active travel as default b. Reducing fuel poverty c. Playgrounds and green spaces d. Encourage outdoor/public art via local arts education e. Resilience should be taken into greater consideration, including assessing flood risks and mitigation strategies.
<p>Council Response:</p> <p>The council welcomes the recommendation not to address climate change in isolation. The Climate Action Plan clearly identifies owners of actions that sit across multiple council departments. A continued area of improvement for the action plan is to ensure owners of actions are identified from outside of the council, for example central government, local businesses, community groups or academic institutions. The council's climate emergency is for the borough as a whole, and should underpin all of our work as a council.</p> <p>The Southwark Plan (2022) places wellbeing at its heart, and forms the key policy document that will ensure new build properties contribute to revitalised places and neighbourhoods that reduce inequality and contribute to positive wellbeing for residents. The Southwark Plan (2022) sets out a range of policies that encourage both the adaptation to and mitigation of climate change. This includes an open space strategy to both protect existing and deliver new open spaces across the borough. The council also has a separate Health & Wellbeing Strategy (2022) focused on improving the health and wellbeing of people in the borough.</p> <p>The introduction of 15 minute cities support the aim that everyone living in a city should have access to essential urban services within a 15 minute</p>

walk or bike from their home. The council is embracing this policy through a 'Thriving Neighbourhoods' approach in the Council Delivery Plan. This draws on the concept of 15 minute cities and many of the principles adopted within the Southwark Plan (2022). This includes protecting the borough's local town centres, ensuring that amenity and job creation is spread throughout the borough and that transport priorities focus first on active and sustainable travel, such as walking, cycling and public transport. This results in a polycentric borough, with many thriving town centres, which embodies the same characteristics of a 15 minute city.

Existing actions within the Climate Action Plan focus on fuel poverty, which will be a priority area for the council in 2022 and 2023 due to the ongoing cost of living crisis and significant recent increase in fuel bills. This will form the immediate focus of the council's engagement with residents on climate matters. There is also a section of the Climate Action Plan focused on enhancing biodiversity, and includes work on community garden plans and allotments.

The council has a separate Public Arts Policy (2022) which encourages public art in the borough, which also includes detail on how the commissioning, fabrication and installation of the artwork can minimise any negative environmental impact. This also includes careful consideration of materials and waste disposal, suppliers and supply chain carbon, including last-mile transit options.

The council recognises that resilience to climate change does not form a key part of the existing Climate Action Plan. An action has therefore been added to prepare a Climate Adaptation Plan in 2022 which will cover the council's adaptation measures. This follows on from work the council is currently doing in leading London Council's Resilient and Green climate working group. There is however, already extensive work across the council to prepare for climate risk, including flood risk. This includes the delivery of sustainable urban drainage schemes (SUDS) and the Lost Peck Flood Alleviation Scheme. The adopted Southwark Plan (2022) includes key policies relating to sustainability, biodiversity net gain, and reducing flood risk, and this will be further strengthened through an early review.

Appendix A provides an additional response to points a to e contained within the jury's recommendation.

17.

2. Housing and Buildings (=11th)

Constructing new buildings should be a last resort and where new building is necessary, it should be with the goal of zero carbon emissions. Where zero carbon is not possible, for example during construction, developers should be required to prioritise carbon offsets that include local investment, to reach net zero. This should be mandatory and not subject to a profit

viability assessment. Developers should be incentivised under the local planning framework to create zero carbon buildings. There should be a public and accessible transparent ledger of all homes built, including their carbon emission rating, updated regularly. All new builds should adhere to other existing regulations including the percentage of social housing.

- a. Council should lobby central government to end the right-to-buy programme and assess the benefits and detriments of properties in line for right-to-buy.

Possible inclusions as part of new building:

- b. Electric vehicle charging stations (including disabled access)
- c. Bike storage
- d. Cycle and walking pathways

Council Response:

The council recognises the importance the jury have placed on addressing emissions from construction within this recommendation and we are committed to embracing and promoting best practice within the sector. The council will always promote retrofit of existing buildings where appropriate but new buildings are sometimes necessary, especially in response to the housing crisis. There is evidence that building new homes in urban settings which are well connected to public transport, can help reduce emissions overall.

Southwark has to deliver at least 2,355 new homes every year until 2036 (a target set out in the London Plan) which equates to ~40,000 homes over the lifetime of the Southwark Plan. Alongside this there is also the requirement for 58,000 new jobs, 460,000sqm of new office space, 90,000sqm industrial, distribution, hybrid and studio workspace, and 76,670sqm retail floor space over the plan period.

All major development must be net-zero and if it is not, a financial contribution is made to offset the carbon emissions up to 100%. The 'Green Buildings Fund' has been approved by the council, which collects this contribution from developments and will in turn re-distribute the funding to retrofit existing buildings in the borough to be more energy efficient. The council will be reviewing the level of the carbon offset price, in order to continue to push for higher standards in new build properties and reduce the need for offsetting. Furthermore, the council will respond to this recommendation by progressing an action to assess options 'for encouraging the use of recycled materials in new development as a means of reducing the embodied carbon of new builds'. This will be prioritised as part of the early review of the Southwark Plan (2022) as detailed within the Climate Action Plan.

The council has no direct control over the government's right-to-buy

programme and this is considered beyond the scope of the council's Climate Action Plan which is focused on emissions reduction and improving biodiversity. However, the council has publicly lobbied against the extension of right-to-buy and for greater flexibility in the use of existing right-to-buy receipts.

The council welcomes the recommendations above (points b to d), which are considered within new development. These points are all covered in policies contained within the Southwark Plan (2022) as detailed in Appendix A.

18.

3. Housing and Buildings (=13th)

Demolition as a last resort

Demolition impacts neighbourhoods and communities. We are concerned that demolition and rebuild may have a negative effect on climate change impact compared to refurbishing existing buildings.

No demolition should proceed until:

- An assessment of CO2 emissions is completed and includes those generated during the build as well as during its lifetime compared to a refurbishment option.
- Assessment of structural soundness of existing buildings
- Rigorous community consultations (to avoid new buildings where possible). This must include ballots or compulsory co-design for current and/or potential tenants.
- Assessment of empty buildings: with over 7000 empty or unused properties in Southwark, empty buildings should be prioritized to be put to use before new builds. If a building is found to be structurally sound, there should be compulsory retrofit instead of rebuilding.
- Encourage compulsory purchase of empty buildings
- Assess impact on use of green space, to avoid new buildings where possible

Council Response:

Southwark is predominately brownfield land, and therefore demolition must occur before the development of a new building unless a building is being

retrofitted. There are pros and cons to the demolition and construction of a new building versus retrofitting, and which is 'better' should largely be assessed on a case by case basis. There are a number of factors that can result in a building being suitable for retrofit, although this can be very costly, this should be considered against the impact of the embodied carbon that is released as part of demolition.

Major referable development in the borough is subject to a whole lifecycle carbon assessment and a Circular Economy Statement which sets out where carbon has been emitted throughout the process, including in both construction and demolition of existing buildings. There are benchmarks for whole lifecycle carbon that must be met, demolition will negatively impact on the development's ability to meet these requirements. This ensures it is a key consideration for major schemes.

The council recognises the jury's concern on the impact of demolition. Demolition may be necessary in certain cases where there are environmental issues, like contamination and hazardous substances, and where the existing building is very poor structurally, where there are fire safety issues, and cannot be retrofitted easily for another use. Not all materials are suitable for reuse.

New development can include demolition and still utilise parts of the existing structure and materials to retain the embodied carbon. The Circular Economy Statement sets out a recycling target that will be met for the development and this is scrutinised at pre-application, at planning stage and on completion.

The council published its new 'Putting Residents First Standard' in September 2021, covering the engagement standards that will apply to all major works upgrades to council housing properties. This sets out the communication channels and process that will be used before, during and after the works.

The London Plan and the council's Housing Strategy (2020) require a ballot to be carried out on estate regeneration schemes, this is supported by further resident engagement on design options. For example on the Tustin Estate five possible options were put to residents in an Options Survey in October 2020. The option favoured by residents was then further developed to become the Landlord Offer which was voted on in the resident ballot in March 2022. A Tustin Resident Project Group was also set up in May 2019 to monitor and provide resident input throughout the project.

While this approach applies to council developments, the council has also established a Developer Consultation Charter which sets out how a developer should consult prior to submitting a planning application. Regarding business premises, the Southwark Plan (P33) requires the submission of a Business Relocation Strategy where existing tenants are affected.

In October 2021 the council agreed its Empty Homes Action Plan. This action plan sets out Southwark Council's zero tolerance approach to long term empty homes and plans to bring empty homes quickly back into use. This plan notes that while the council has limited powers to address private, empty homes, there is more we can do to lobby for greater power in this area while improving what we do with our own housing stock. The action plan sets out the scale of the problem and then a clear list of actions across both private and council owned homes.

The Empty Homes Action Plan has a specific action around the use of compulsory purchase orders (CPO) as part of the solution to reducing private empty homes in the borough, and a new rolling £2m CPO fund has recently been agreed by Cabinet. Beyond this, the council also uses the CPO process where required as part of the redevelopment process, in line with legislation.

Appendix A provides more information against the bullet points listed in the jury's recommendation.

19.

4. Housing and Buildings (=3rd)

Improvements in energy efficiency of housing

Incentivise all landlords to improve Energy Performance Certificate (EPC) rating from E to B by 2025 by offering discounts or loans on retrofit schemes. Local and/or small businesses providing retrofit services should be supported and prioritised for contracts. The council should annually identify and publish accessible information on how many properties are currently rated below C, including council-owned and privately-owned, and provide timelines for future targets.

In addition:

- Southwark Council should lead by example by retrofitting all its properties.
- Southwark Council should repurpose unused funds to pay for retrofitting, and apply for additional funding opportunities.
- To increase retrofitting in Southwark there should be an education and advisory service to DIY retrofitters including residential and small businesses.
- Increase inspection and enforcement by council of energy efficiency standards

- Measures to increase and improve retrofitting in non-residential buildings should also be taken

Council Response:

Improving energy efficiency of buildings is a key component of the council's Climate Action Plan, and the council strongly supports this recommendation. The action plan has a number of actions grouped together under the theme 'buildings minimise their carbon emissions and maximise their energy efficiency'. This includes a focus on the council's operational buildings (e.g. offices, libraries and schools), council housing, private homes and businesses.

As noted in more detail in question 12 below, the council has offered its commercial tenants rent free incentives in order for businesses to be able to improve their EPC rating. Subject to the performance of the building, these grants are worth up to £4,000 and will give businesses flexibility to afford energy efficiency upgrades to their premises. A separate action within the plan is the introduction of the Gold Standard Charter scheme which encourages landlords in the private rented sector to raise their Energy Performance Certificates (EPCs) to a B or C. It should be noted that an expanded roll out of this scheme requires an increase in resource within the council, as the initial impact has been limited.

With regards to council housing, two feasibility studies have recently been completed (Parity Projects and Warmfront) reviewing the energy efficiency of council housing stock and suggesting improvements. This work will be used to identify the worst performing social housing stock and cost work required to improve these properties to an EPC C. Funding remains a significant barrier in achieving these improvements. This work is picked up within the Climate Action Plan, with milestones and key dates added.

The council has bid successfully for a number of external government funding streams over the last two years, focused on both the expansion of heat networks and heat pumps in the borough, including;

- Domestic Renewable Heat Incentive (RHI)
- Heat Network Efficiency Scheme (HNES)
- Heat Networks Investment Programme (HNIP)
- Energy Company Obligation (ECO) through Warmfront

The council also successfully bid for the Green Homes Grant Local Authority Delivery scheme, and while this specific partnership is no longer proceeding, the planned works to replace windows in council street properties is intended to go ahead through the council's Climate Capital Fund. Whilst our initial bid to the Social Housing Decarbonisation Fund Wave 1 (SHDF) was unsuccessful, the council will be submitting an enhanced SHDF bid for Wave 2 in 2022.

The council has also allocated £25m of capital funding, the Climate Capital

Fund, for delivery of projects contained within the Climate Action Plan, including retrofitting buildings. Initial projects include energy efficiency and heating measures at two schools. Further funding will be allocated to office, library and youth centre sites across the borough, targeted on those buildings with particularly poor EPC ratings.

The forthcoming council delivery plan will also address the information/advice and planning support required by private home-owners to retrofit their own homes, and explore the establishment of a retrofit learning network.

Appendix A sets out how the actions within the Climate Action Plan meet the requirements of the jury as included in the bullet points above. The work of the council is very closely aligned with this recommendation.

20.

5. Housing and Buildings (=7th)
<p>Improve local generation and use of green energy</p> <ul style="list-style-type: none"> a. Council-owned buildings should be fitted with air source heat pumps b. Cladding on all buildings in Southwark should be immediately assessed, and where it must be updated, this should be done via new technologies that support energy conservation. c. Council should conduct and publish an audit of the below options for local green energy by 2024, and implement the most viable options by 2030 or before: <ul style="list-style-type: none"> - Centralised large-scale ground source heat pump for multi building usage (or other green heat sources) - Power Purchase Agreement with renewable energy for Southwark - Consideration of schemes to lease rooftops for solar energy production - All council-owned buildings should have solar panels
<p>Council Response:</p> <p>The council supports the aim of improving local energy generation and</p>

increasing the use of green energy. 'Renewable Energy' is one of the five main categories identified in the council's Climate Action Plan, with supporting themes around improving local energy infrastructure, moving towards green energy, addressing fuel poverty and boosting renewable energy generation.

All electricity supplied to council operational buildings is currently from green tariffs. Work is now underway to move all council operational buildings' gas supply to green tariffs and to also move non-operational buildings to green tariffs. This means all council energy supplies, apart from gas for council housing, will be sourced from a green tariffs by 2023. We are exploring varied options around council housing but cannot justify increased costs for residents at this time. Over the longer term, our plans to support the switch away from gas through heat pump installation and SELCHP extension, as well as the installation of individual heat meters, will be the most transformative. The council is currently conducting feasibility work to explore whether a solar PV farm could be set up outside of the borough to generate additional renewable energy.

Solar PV feasibility studies are currently being carried out for eight council housing blocks, with meters installed to measure the electricity usage and therefore viability of PV. Rooftop PV has also been installed at eight operational building locations, with a further two sites pending approval in late 2022, and air-source heat pumps have also been installed across a number of locations including libraries.

From July 2022, the council will be commencing its programme of surveys for its High Rise residential blocks. This programme will help the council to meet the new requirements relating to Building Safety Cases and it will include FRAEWs (Fire Risk Assessment External Walls). These FRAEWs are a new requirement and they look at cladding and other materials on the outside of the building. Given that the council has over 170 high rise blocks (a larger number than any other social landlord). It is expected that the FRAEWs will take around 6 months. The outcomes from these surveys will tell the council whether any cladding or other external wall materials need to be replaced. For those buildings where this is required, the appropriate considerations will be given to the recommendation relating to energy conservation. It should be noted that the council has previously uploaded to data to DELTA (the government database) about our external walls. This data showed that the council's high rise blocks do not have any ACM on them (this was the cladding on Grenfell Tower). Following the surveys of the High Rise buildings, the council will also need to assess the external walls of any residential building with a height between 11 and 18 metres. The council is the landlord for over 1500 of these.

The council is also currently installing innovative water source heat pumps on three housing estate locations - Consort, Newington & Wyndham. Between these three sites, heat will be supplied to 2,175 properties, replacing gas boilers with a low carbon heating source.

Appendix A provides a response to each of the points listed in the jury's recommendation.

21.

6. Transport (=17th)

Significant reduction in cars

We want to see a significant reduction in cars. People need freedom and flexibility to travel in a low carbon way, with fewer people therefore needing their own personal private car. Fewer cars will increase the success of walking, cycling and public transport.

A reduction in cars should happen through:

- a. More car share schemes and car clubs with increased number of parking spaces for these vehicles
- b. Electric vehicles are not a simple answer but remaining vehicles should be electric where possible
- c. Every road to have electric vehicle charging points with multiple chargers and fully accessible for disabled people. Charging points should not be located on the pavement.
- d. Measures to reduce and manage through traffic should be considered.

We expect ambitious targets to be set for all the above. Clear methods for measurement should be determined and communicated, with an annual record of progress published to ensure transparency. Targets should include a specified figure for an overall reduction of motor vehicle traffic.

Parking policies can and should be used as a tool to reduce private car ownership and usage. Specific policies to achieve this are sensitive and need careful local engagement, including car owners and non-car owners proportionately. Parking policies may include increased or further developed use of:

- e. Parking permits
- f. Increase costs for multi-vehicle households e.g. second parking permits
- g. Controlled parking zones (CPZ)

- h. Workplace parking levies
- i. Emissions based parking
- j. Low Traffic Neighbourhoods (LTNs) should only be implemented if extensive engagement with broader potentially impacted areas as well as the specific area is carried out thoroughly and shows support.

Council Response:

The council's Movement Plan (2019) is the key policy document addressing transport in the borough. It puts people at the heart of transport decisions, with a focus on healthy, sustainable travel, while promoting policies that reduce car use and improve safety on Southwark's streets.

Action 7 of the Movement Plan focuses on reducing car ownership in the borough and the council fully support the jury's recommendation for a significant reduction in private car usage. The council is also planning to scale up the delivery of EV charging points, with a target to install another 1000 points over the next four years.

The Movement Plan is an evidence based document relying on comprehensive data to inform policy. This data is published alongside the report and can be found on the [Movement Plan page of the council's website](https://www.southwark.gov.uk/planning-and-building-control/planning-policy-and-transport-policy/transport-policy/policy-and-guidance-documents/movement-plan) (<https://www.southwark.gov.uk/planning-and-building-control/planning-policy-and-transport-policy/transport-policy/policy-and-guidance-documents/movement-plan>). The council has a set target of reducing the number of trips made by car/motorbike to 13% of all trips in the borough by 2041. The Movement Plan will be updated again in 2022, when this figure will be reviewed. The jury's recommendations will also feed into this review.

As part of the process for setting smart climate actions, clear milestones have been defined with specific targets for each action. The action dashboard will be made live on the council's website, to ensure updates are available on an ongoing basis, rather than waiting for the annual progress report on the Climate Action Plan.

A response to points a to j above is contained with Appendix A. This includes a new action which has been added to the Climate Action Plan focusing on reviewing the policy for parking charges.

22.

7. Transport (6th)

More people cycling

We need to see more people cycling and less people driving. Cycling is a low carbon mode of transport. This should be enabled by:

- a) Better and more cycle infrastructure - joined up cycle lanes, increased cycle traffic lights
- b) Bike security improvements - secure parking in residential and workplace areas. Cycle parking should be free.
- c) Targeted campaign to stop/reduce bike theft
- d) Free bike check-ups such as Dr. Bike and bike repair vouchers (focusing on marginalised communities)
- e) Comprehensive measures should be taken to promote and support disabled cyclists as part of a holistic approach to support disabled people travelling around Southwark.
- f) Review and implement the 2015 Southwark Cycling Strategy
- g) Education for cyclists and other road users to improve overall safety.

Targets should be determined, monitored and reported on publicly to ensure transparent assessment of progress.

We must encourage the next generation of cyclists by:

School age:

- h) Starting to teach children to cycle when they are young
- i) Enabling cycling to school e.g. by exploring examples of car free streets around schools implemented in other areas and investigating other methods to make this happen.

New cyclists of any age – people who currently don't feel confident to cycle

- j) Supporting more cycle mentors and awareness of them (e.g. Southwark Cycle Buddies) to help plan routes and offer encouragement and support to new or less confident cyclists
- k) Providing help and education for bike choice and maintenance

Council Response:

The council's Movement Plan (2019) is the key policy document addressing transport in the borough. It prioritises active travel, walking and cycling, due

to the benefits to physical and mental wellbeing, alongside the associated improvement to air quality. There are a number of actions within the Movement Plan prioritising cycling, including 'Action 4: Deliver infrastructure to support active traffic' and Action 5: Enable people to get active'. One third of car trips in London are under 3km in length, a distance which for most people could be easily cycled.

The council therefore fully support measures than encourage more residents and visitors to cycle. There are existing actions within the Climate Action Plan focused on improving the cycle network and increasing bike parking in the borough. The council is committed to doubling cycle storage again over the next four years and earlier this year, additional investment was allocated through our Climate Capital Fund. A new action has also been added focusing on cycle training for all, in particular the young and those with disabilities.

A full response to points a to k above is provided in Appendix A. Funding for transport behaviour change measures has been particularly hard hit by funding pressures at Transport for London, primarily due to reduced income from passenger travel during the coronavirus pandemic. Many existing programmes focus on promoting active travel have been scaled back or are coming to an end. As part of the refresh of the Movement Plan in 2022, it will be crucial to consider how these programmes can secure funding to be restarted and where possible scaled up.

A response to the jury's bullet points above is provided in Appendix A.

23.

8. Transport (1st)
<p>Make walking great again!</p> <p>Walking is a free, easy and zero carbon method of transport. We need to remove barriers to walking by:</p> <ol style="list-style-type: none"> a. Improve quality of pavements to ensure they are even, well-maintained and uncluttered b. Improve air quality c. More walking maps/directions - with timings and points of interest so people can see where walking might be quicker/easier/more pleasant than driving or using a bus. d. More easy pedestrian routes (as above) and car free pedestrian zones, especially in busier locations e.g.

Borough Market.
e. Encourage and enable more children to walk to school
<p>Council Response:</p> <p>The council's Movement Plan (2019) is the key policy document addressing transport in the borough. It puts people at the heart of transport decisions, with the priority mode of travel being walking. Walking is prioritised due to its ability to deliver an affordable mode of travel that provides significant health and wellbeing benefits. The council fully supports the jury's recommendation to make walking an easier and more attractive mode of travel. To that effect, £1m has been allocated from the council's Climate Capital Fund to remove barriers to walking in line with the objectives as set out in the Movement Plan and as defined by the jury.</p> <p>The council also has the Air Quality Strategy and Action Plan (2017), and an associated programme of work on projects to monitor and improve air quality. Consultation recently closed on an update to a new Air Quality Action plan (2023-27). Many of these actions cross over with the Climate Action Plan and are referenced accordingly in Appendix A. This includes work to remove goods vehicles from the borough's streets and upgrade the council's fleet to include more electric vehicles.</p> <p>The council's Streets for People programme has put in measures in many parts of the borough to reduce traffic and improve conditions for pedestrians, the council will also be launching a proactive communications campaign later in 2022 to encourage more people to walk, cycle and use public transport.</p> <p>Appendix A sets out the council's position on each of the points above. It is however recognised that the Climate Action Plan published in 2021 did not prioritise walking to the level requested by the jury. Given the recommendation of the jury a new action has therefore been added which will allow progress to be tracked.</p>

24.

9. Transport (2nd)
<p>Affordable, accessible and appealing public transport</p> <p>Affordable, accessible and appealing public transport should be the backbone of a low carbon Southwark. To achieve this there needs to be work (including with TfL) on:</p> <p style="text-align: center;">a. Increased number of electric buses</p>

- b. Subsidies/free transport should be focused on those who need it most
- c. Wifi and phone charging on all buses and trains
- d. Positive messages to increase the uptake of public transport
- e. Increase speed of buses by further development of bus lane use and bus gates to give buses more priority on roads
- f. Increase the frequency of night buses
- g. Create greener and more appealing bus stops e.g. green roofs, solar panels
- h. Consideration of personal safety which is a barrier to wider use of public transport particularly for women at night e.g. better lighting at bus stops

Improving public transport access parts of the borough which have low Public Transport Accessibility Levels (PTAL) and large numbers of residents e.g. Aylesbury Estate, North Peckham and Bermondsey.

Council Response:

The council fully supports the aim of affordable, safe and accessible public transport, all of which are key aims underpinning the council's Movement Plan (2019). As the recommendation identifies, Transport for London (TfL) are a key partner, operating all of London's bus, tube and tram services alongside the London Overground train services.

The council works closely with TfL on improving public transport services in the borough, however current funding challenges make this recommendation particularly challenging. Reduced passenger numbers during the coronavirus pandemic, which persisted well into 2022, have significantly reduced the funding available to TfL to operate public transport services, alongside the absence of a long-term funding settlement from central government. Rather than expanding networks and improving frequency, the challenge is very much on retaining the services currently available in the borough. Bus services across London, for example, are at risk of reduction by nearly 20%.

While this risk is reflected in actions contained within the Climate Action Plan, which focus on retention of services, the council will also seek to lobby central government for increased investment and decarbonisation of the public transport network.

While the council has no control over the cost of public transport, we will continue to seek opportunities to work with TfL to make public transport in the borough more accessible and appealing, in line with the jury's

recommendations. As specific opportunities arise, new actions will be added to the Climate Action Plan. These recommendations have also been shared with colleagues who are drafting the council's updated Movement Plan, due in late 2022.

A response to items a to h above is detailed within Appendix A.

25.

10. Transport (16th)

Haulage and Freight

Southwark Council should introduce cargo bike infrastructure to encourage, facilitate and expand cargo bike deliveries across the Borough. The council should lead by example by maximizing the use of cargo bikes within its own fleet and any third-party contractors which it has control or influence over.

Targets for 2023 could include:

- a. highlighting examples of good practice and responsible cargo bike use in public campaign, including the savings for businesses
- b. provide grants to small businesses to buy cargo bikes for own deliveries.
- c. invest in secure bike storage suitable for cargo bikes
- d. support training for cargo bike riders

Additionally the council should develop and deliver a Sustainable Freight and Last Mile Delivery Hubs Plan by 2026 that prioritises areas of greatest need and potential (e.g. regeneration areas and town centres)

Council Response:

The impact of freight in the borough is clearly identified within the council's Movement Plan (2019). Action 14 of the plan focuses on reducing the impact of freight on the borough's streets. TfL predict a potential growth of light goods vehicles of 22% by 2031. Minimising deliveries through consolidation, but also ensuring a higher proportion of journeys are made by sustainable means, such as cargo bike, is therefore a priority.

The council is already working to promote and fund the use of cargo bikes in the borough, for example through the High Street Recovery Fund in East Dulwich. The council will continue to explore funding opportunities to expand this further while helping to promote best practice (such as through

the local Business Improvement Districts). Following on from the jury's recommendation the council has also begun to accelerate moving more of its own freight journeys to cargo bike.

Other work in this area includes exploring how to make better use of the River Thames for freight, to take pressure off the borough's roads. In order to help bring this work together, a new action has been added to develop a Sustainable Freight and Last Mile Delivery Hubs Plan, as recommended by the jury. This will help to ensure a consistent approach across the borough, while also working with businesses and adjacent councils to encourage partnership working.

A more detailed response to points a to d can be found in Appendix A.

26.

11. Business (=17th)

Big businesses

Nationally, high emitting **big** businesses that are not acting to reduce their emissions, (and those that support them e.g. banks) should:

- a. Be heavily taxed to reduce their emissions – regulation should be put in place to enable this to happen.
- b. Have to report their emissions in the annual report. This must be mandatory - this will help us all to decide which companies we support

Our local MP and politicians should lobby for this to happen.

Council Response:

The UK has many forms of taxing carbon, which are levied on different types of emissions and different industries and sectors including aviation. One such form of taxation is called the national emissions trading scheme (ETS), which gives firms in sectors such as aviation a carbon allowance. The idea of expanding the ETS to be levied against businesses in other industries was consulted upon by HM Treasury in 2020. The Government eventually decided against this despite campaigning for more stringent taxation on different forms of pollution by such pressure groups as the Zero Carbon Campaign.

In response to the jury's recommendation the council will consider a new action on business lobbying, dependent on where the council can add most value. The work would be developed through the Southwark Anchor Institutions' Network; a strategic leadership group of key organisations in

Southwark formed by the council. This group works together to deliver impactful activity which benefits Southwark residents by reducing inequality, building an economy that works for everyone and creating a greener future for Southwark.

The council welcomes the jury's response on reporting emissions. The Climate Action Plan includes a number of actions around procurement, and positively influencing the council's supply chain of goods and services. This includes work 'to establish standards of effective carbon reduction, measurement and management within contracts' and work to 'introduce a carbon neutral aligned procurement policy'.

27.

12. Business (=17th)

Small and micro businesses

The 16,000 medium, small and micro businesses in Southwark must be pushed to reduce their emissions and encourage nature in whatever way possible.

The council should support these businesses by:

- f. Offering subsidies
- g. Offering discounts on business rates if the businesses are low emitters
- h. Offer small businesses free audits of their emissions – more customers may be attracted to businesses who are backing efforts to reduce their emissions

All business grants (and repeat grants) from the council should only be awarded to business who pass an explicit climate criteria. The council could take inspiration from the work that Oldham Council has done with business. We need to support our small and micro businesses to make choices that recognise the emergency we face in such a way that the businesses can thrive and are not forced to close down leading to unemployment and hardship.

Council Response:

As part of the Government's commitment for the UK to be carbon neutral by 2050, it will be unlawful for leases on certain commercial buildings to

continue after 1 April 2023 where buildings have an Energy Performance Certificate (EPC) rating of below 'E'. The council has therefore offered its tenants rent free incentives in order for businesses to be able to improve their EPC rating. Subject to the performance of the building, these grants are worth up to £4,000 and will allow businesses flexibility to afford energy efficiency upgrades to their premises. The council is also able to offer support in undertaking the works, if this is preferred by the business.

The Government will soon launch two measures that will offer business rate reductions for green investment and the decarbonisation of buildings. This includes business rate reductions for onsite renewable energy generation or connection to low-carbon heat networks. It is anticipated these savings will be backdated to April 2022 for eligible businesses. Any further local support of business rate reduction will need to be considered from a cost implication, and would be subject to consultation.

Business grants awarded via the Local Economy Team may be made in a range of circumstances and for a variety of purposes. This could range from supporting entrepreneurship and business growth through to dealing with business hardship and emergency support.

The Southwark Pioneers Fund aims to support smaller businesses to reduce their climate impacts which could include information such as carbon audits, advice and support, including grants. This strand of the fund will launch later in 2022.

The Southwark Pioneers Fund is also designed to support businesses to start up and grow while meeting wider ambitions to support a fairer, greener and more resilient economy in the borough. It is therefore well aligned with the principle that climate impacts are considered before awarding public funds to a business. However, the appropriate measure of climate impact to be applied will need careful consideration so as not to override the primary aim of supporting entrepreneurship in communities less likely to access support from mainstream business support services.

The council welcomes the jury's recommendation, which aligns closely to the Southwark Pioneers Funds and an action within the Climate Action Plan to 'support innovation in green business sectors through council business support and workspace programmes.' New ideas are welcome and the council will look at the example given by the jury when developing future plans.

28.

13. Business (20th)
Pension funds

Relevant big employers e.g. the council, hospitals, retail, Veolia etc. should invest their pension funds in renewable energy / green projects / funds, not in fossil fuels. It must be clear where pension funds are invested so employees can make informed decisions.

Council Response:

The council has taken a number of steps regarding its own pension and removing investment from fossil fuels. Following a scheme member survey in 2015 and the assessment of a clear investment case, it was decided that Southwark Council's Pension Fund would aim to reduce its exposure to fossil fuels over time. In March 2017, this was cemented and taken a step further. The Fund released an Investment Strategy Statement, outlining the aim to eliminate exposure to fossil fuels with the fund divesting in full from fossil fuel companies, such as Shell, in a risk-controlled way in the period following.

Since the release of this strategy, the fund has begun to monitor the carbon footprint of its holdings, with a reduction of 50% in the carbon emissions at the end of September 2021, compared with those at March 2017. This reduction was due to movements in investments from those categorised as high carbon into lower emission investment categories. These include, for example, innovative sustainable infrastructure funds that invest in renewable energy and timberland investments that remove carbon from the atmosphere. These actions reflect how Southwark is staying at the cutting edge of technologies in order to become a greener pension fund.

As climate change has become central in social focus and fund performance has remained strong following divestment from fossil fuels, the fund has since provided a further update to its Investment Strategy Statement. This update includes the fund's updated goal of reaching net zero carbon by 2030. Although green investment takes the forefront of the Fund's goals, it is approaching the task cautiously, in a way that will maintain appropriate returns on investment while managing risk. Not only will this ensure contributions remain affordable for both the council and members of the fund, it is also key to meeting the fund's primary purpose, which is to continue to be able to meet payments to our pensioners as they fall due.

Southwark Pension Fund was one of the first London funds to commit publicly to eliminating its exposure to fossil fuels. It is now one of London's most progressive funds, leading the way. The council will remain open to further improvements and be transparent in its reporting of progress. The council will also promote this positive change to other local institutions and businesses via the council's Anchor Institutions Network, that brings together some of the borough's biggest employers.

A new action has been added to the Climate Action Plan to reflect the council's commitment to make the pension fund zero carbon by 2030.

29.

14. Other (=3rd)
<p>Transparency, accountability and progress monitoring</p> <p>The Climate Emergency needs to be a significant consideration in all council decisions to create net climate benefit.</p> <p>We want more transparency and accountability on council activities. Clear goals on carbon reduction, climate mitigation and adaptation in relation to the climate emergency need to be communicated to Southwark residents, including the process of achieving them on a real time digital dashboard that makes council progress towards climate related goals transparent.</p> <p>The council should implement a clear emissions pathway for each year to 2030, with costs and estimated decarbonisation impact of each action outlined; SMART targets on every action in the Climate Plan, and a review of council policies by department to integrate Southwark's climate commitments.</p> <p>Climate Juries to be called no more than three years apart to measure progress, sooner if required, to make further recommendations and hold council to account.</p>
<p>Council Response:</p> <p>Addressing the climate emergency remains a top priority for the council. Significant changes have been made in the last 12 months to ensure that consideration of carbon emissions underpin the council's decision making processes. This includes the introduction of a new climate change 'concurrent' for all decisions made by the council. Formal governance processes therefore require all council staff to consider the impact of their project on climate change, prior to seeking approval from political members.</p> <p>The council's Climate Action Plan was highly scored earlier this year by Climate Emergency UK, but we want to ensure that we are continually improving and enhancing our transparency, accountability and progress monitoring. To that end, the council has also gone through the process of making its Climate Action Plan 'smart' (specific, measureable, achievable, realistic, time-bound). The smart action process is detailed in full in an adjoining Cabinet paper. Actions have been given an owner within the council, a clear timeline, milestones for delivery and an estimated cost. Risks have also been identified, based on the resource and funding the council has at its disposal. A real time dashboard of these actions is in development, and will be published following the council's Cabinet meeting in July 2022. This will allow for real-time reporting on progress and a</p>

greater level of transparency as requested by the jury.

Adaptation to climate change and building a resilient borough is recognised as a priority. The council support the jury's recommendation and a new action has been added to the Climate Action Plan confirming that an adaptation strategy will be developed by the end of 2022.

As part of the council's annual report on climate change, also being taken to Cabinet in July 2022, data analysis has been updated on both the council's own emissions and borough wide emissions. The analysis undertaken in 2021 set out two emission reduction pathways, the first, based on 'business as usual' with the second an 'ambitious' pathway. The council will explore how best to share this information in an accessible way going forward. The smart action process will also be improved in the future to begin the work of associating direct carbon savings with specific actions where data is available, but the council recognises that this is an area where continued improvement is required.

The council thanks the jury members for the time, commitment and knowledge provided during the process. The council will be liaising with jury members to provide an update in line with the content of this report and continues to consider ways that jury members can remain involved in the council's work on climate change. Due to the cost of running a deliberative forum process such as a citizens' jury or assembly, the council can not commit to running a similar process every three years. However, the council is developing a communications and engagement strategy on climate change which will build on the work of the jury and identify further opportunities to involve residents in the decision making and the delivery of projects related to climate change.

30.

15. Other (=13th)
<p>Staffing and funding / resourcing the work</p> <p>Southwark should maintain specific dedicated staff members who are responsible for bringing in available funding and overseeing that funds are used in a timely and efficient manner. Where funds or powers aren't available Southwark Council need to lobby central govt to give local council more funding and decision making power in environmental matters.</p> <p>Southwark should work with the 308 other councils and authorities who have declared a climate emergency to lobby central government as a unified block to take the steps necessary to address the climate crisis and appoint specific staff members to lead on this whilst integrating this into all other relevant roles.</p>
<p>Council Response:</p>

The council has established a dedicated Climate Change Team to lead the council's response to the climate emergency and created a permanent budget for the team earlier in 2022. Their work includes identifying funding opportunities and liaising with teams across the council to bid for funding where appropriate. The team also manages the Green Buildings Fund, which is the funding taken from development to facilitate retrofit of buildings, and the Climate Change Capital Fund, which consists of £25m committed by the council to fund upgrades to capital assets that reduce emissions. It is recognised that additional resource to lead on funding could be beneficial and this will be a consideration going forward.

The council is able to lobby central government in conjunction with other local authorities via the Local Government Association, which engages with the government on climate in a number of ways, including submitting written evidence and appearing before House of Commons select committees. The council can also lobby government through London Councils, which represents the interests of all London boroughs and the City of London. The council already leads on the 'Resilient and Green' work stream for London Councils, focused on developing a city that is able to adapt to the impact of climate change. The council has a Public Affairs and Policy Team, which leads on lobbying issues on behalf of the council, working closely with both councillors and local MP's. The council is also a member of UK100, a network of UK elected leaders who have pledged to play their part in addressing climate change.

The Climate Action Plan has three initial areas of focus with regard to lobbying government, focused on increased investment on home retrofit and the decarbonisation of transport and the national grid, areas that have significant opportunity for improvement with government investment. The detail of this lobbying work will be developed further within the council's upcoming climate change communications and engagement plan.

31.

16. Other (=7th)

Trees:

Southwark should work with residents to increase canopy cover in the borough to achieve at least 35% cover within a specified timeframe and use this opportunity to engage residents in local community projects that enhance and upgrade green spaces across Southwark.

Mature trees should be protected, and only considered for removal when damaged or ill. Soil quality across the Borough should be increased by effective use of composting and ending use of dangerous chemicals.

Council Response:

The council has had an ambitious tree planting programme, having planted over 17,000 new trees in the last 2 years. There are now 300 different species across the borough, helping to tackle carbon emissions, improve air quality and significantly adding to the biodiversity of the borough. The council supports this recommendation of the jury and will continue its planting programme with an additional 20,000 trees.

The council's assessment shows that 24% tree canopy cover is a more realistic ambition than the jury's stated figure of 35%. This would be an increase from an existing coverage of 20%. While the council will strive to exceed 24% if possible, initial desktop analysis shows that a higher figure would require all available green space to be planted, much of which the council has no direct control over. Location by location analysis is required in order to maximise tree canopy cover, this work has begun and will inform the council's upcoming tree planting programme.

The council has a Tree Management Policy (2020) which protects mature trees and those in all stages of development. This includes a number of specific policies for protection in a range of circumstances including;

- Tree removal - sets out the limited specific criteria for the removal of trees in the public realm.
- Tree protection - describes the statutory protection afforded to trees (mainly) in private ownership through Tree Preservation Order and Conservation Area status. This policy also references the non-statutory protection provided to woodland trees through Sites of Importance for Nature Conservation (SINC) and Local Nature Reserve (LNR) designation.
- Trees and development – sets out a framework for developers to ensure that protection is given to trees worthy of retention on development sites.
- Unauthorised works prosecution – states what the council will do if trees are removed illegally.
- Veteran and ancient trees – sets out a commitment to promote a programme of recording and protecting veteran and ancient trees.

With regards to soil quality, the council has an existing action within the Climate Action plan to review the use of pesticides in the borough, and an active programme of reducing their use, year on year. The council also has an action around strengthening the Southwark Biodiversity Partnership, ensuring that partnership with the local community informs priorities on biodiversity and maximises the opportunity for funding for local green spaces. The recommendation of the jury and work of the council in this area are therefore very closely aligned.

17. Other (5th)

Green spaces /natural resources:

The council should use planning policy and other measures to encourage better use of brown sites, protect existing green spaces and enhance and expand green spaces, by, for example, converting parking spaces into mini parks and rewilding brownfield and other relevant sites.

Flooding should be mitigated by using porous materials for pavement surfaces, driveways, and construction. Southwark should also implement a borough wide water conservation and management policy.

Council Response:

The council supports the need for planning policy to protect green space in the borough and the recommendation set out by the jury. A clear action has been completed within the Climate Action Plan to 'Impose more ambitious requirements in planning policy for the protection of existing green space'. This was achieved by the adoption of the Southwark Plan (2022) which included a number of specific policies targeted at the Protection of Amenity (Policy P56) and Open Space (Policy P57). The Open Space policy sets out a strategy to protect designated open space, and only allow development on designated open space in exceptional circumstances. The Southwark Plan designated 11 hectares of new open space in the borough and created 22 new sites of importance for nature conservation. Open space equates to 21% of the borough's land area, including woodlands, parks, riverside paths and sports pitches. Protecting and improving this space will remain a priority.

There are a number of other policies within the Southwark Plan that encourage the delivery of Green Infrastructure (Policy P59) and promote Biodiversity (Policy P60) net gain. These are supported by The Southwark Nature Action Plan (SNAP) 2020, which sets out a strategy to protect the borough's natural assets. There are a number of actions within the Climate Action Plan focused on enhancing biodiversity and green space within the borough, such as increasing community gardens, allotments and tree planting.

The design of pavements in the borough takes into account the need for natural water drainage and the council has its own streetscape design manual which sets out the preferred materials to be used to lower flood risk. All developments have to submit planning applications for review by the flood risk team so that the drainage proposal, potential sustainable urban drainage (SUDS) schemes and water runoff are fully assessed. This supports the council's Surface Water Management Plan, which will be updated in 2022 and the Local Flood Risk Strategy, due for publication in 2023.

Ensuring the borough can adapt to climate change is key, including

managing surface water and minimising flood risk through the design of buildings and streets. Developing a climate change adaptation strategy, that includes this work, alongside water conservation, will be undertaken in late 2022 and has been added as a new action to the Climate Action Plan.

33.

18. Other (=7th)

Recycling:

The council should aim to achieve 100% recycling of recyclables as soon as possible by

- a. providing borough-wide standardised processes, sufficient recycling bins and staffed cleaning routes,
- b. provide all buildings with access to composting, and;
- c. commit to sending zero waste to landfill or incineration.

The council should engage businesses and communities to reduce Southwark's use of plastics and other unsustainable materials.

Council Response:

The council has a 25 year combined waste collection and disposal PFI contract, which started in 2008, to undertake management of all municipal waste collected by the council in Southwark, including waste from a number of council departments such as street cleaning. As part of this contract an Integrated Waste Management Facility on the Old Kent Road opened in 2012. This has resulted in substantial increases in recycling rates (35% in 19/20) and decrease in waste going to landfill.

It should be noted that while the council collects all residential waste, businesses have the freedom to choose any registered waste provider. The council therefore collects significantly less business waste and has less control in this area around reducing waste and ensuring recycling is maximised.

The council already implements a standardised process where possible for recyclables. The same range of dry recyclables are collected from all residential properties in the borough. Dependant on the type of building, some residents will have bagged waste collections, some their own bins and some shared communal bins, but that reflects the different types of housing in the borough. There is no single service method that fits all property types, but the council strives for a consistent approach where possible. Limited space at some properties can also restrict the ability to provide all the required bins, which is an ongoing challenge.

The council does not provide a composting service, which would require waste to be treated in gardens and communal spaces across the borough. The council does collect organic waste such as food/garden waste. Of the total 142,000 households in Southwark, roughly half (mostly kerbside properties) receive an organic waste collection. In 2019, pilot projects were also established to collect food waste from blocks of flats, to an additional 15,000 properties. Expansion of this service will be considered within existing resource.

Providing all buildings with access to organic waste collections is currently awaiting updates as part of the national Resources & Waste Strategy, with further developments expected in 2024. This could bring into force legislation requiring all properties to have organics waste collection.

The council currently diverts over 99% of the waste collected from landfill. In order to achieve this target it is necessary to utilise the South East London Combined Heat and Power Plant (SELCHP) to divert waste from landfill. SELCHP is an Energy Recovery Facility (ERF) that incinerates waste that would otherwise be sent to landfill converting it to both heat and electricity. It also has a significant role to play in reducing the borough's carbon emissions by supporting the shift away from gas in the provision of heating and hot water. The carbon savings gained through this approach far outweigh any of the emissions generated through the incineration process – the extension of SELCHP, including to 11 council estates and 5 schools, is expected to deliver on average 11,100 tonnes of carbon savings annually. The council cannot commit to sending zero waste to landfill or incineration as requested by the jury. In order to achieve this, residents and businesses would have to produce zero non-recyclable waste. However, the council does commit to maximising recycling and minimising waste to landfill, both of which have been added as new actions to the Climate Action Plan in response to the jury's comments.

As identified by the jury, behaviour change by all is critical in this area and the council has a key role in spreading a positive message around reducing consumption and therefore waste, promoting reuse of materials and an increase in recycling of what remains. The council will therefore look to work more closely with our waste contractor, Veolia, and through the council's own communication channels to promote behaviour change. This action is contained within the Climate Action Plan. This work will also feed into the council's updated Waste Strategy, to consider what more can be done in the short term. The council also has actions to ban single use plastic in its own buildings, and will look to progress work on waste reduction through a new business network, both of which are detailed within the Climate Action Plan.

34.

19. Other (15th)

Education and communication:

Council and others to give thorough education on global and local climate change prevention and adaptation to schools, businesses, council members and beyond. This should include a Borough wide communications programme including active marketing and info sharing with residents, visitors, business etc. Social media and other supportive tech can be used to get information to people about climate change and potential actions. Members of this jury could be supported to assist alongside other community members.

This could happen through:

- a. In – person events
- b. Sharing schemes available to residents and visitors alongside information about other actions they can / should take
- c. Educating businesses
- d. Climate Change first-aiders
- e. Climate Month Festival that allows for fun and thorough education and reaches everyone, not just those already engaged in climate activism
- f. Commitment to embedding climate related communications and information in a variety of council activities and communications so that all people in the borough can be reached
- g. All people appointed by the council to take care of Southwark must be well-versed in the effects of climate change on people and nature in Southwark

Council Response:

The council welcomes the jury's recommendations on increasing communication and education on climate change in the borough. The work of the citizens' jury has shown us that there is a wide range of knowledge and understanding about climate change in our borough, with some residents knowing a great deal, and others feeling uninformed. The council has made 'building understanding in the need and the challenge of tackling the climate emergency' a key area of focus for climate change communications for the next four years.

The council has a leadership role in supporting this work, but the borough's communities, businesses and partner organisations will also have their own ideas and solutions for helping the environment and reducing carbon emissions. The council has set out how it will use effective communication and engagement in a comprehensive communications and engagement strategy.

The council will inform and educate residents through council channels including social media, voluntary and community organisations, business networks, schools and colleges, the council will ensure everyone in the borough can access accurate and useful information about the steps they can take to tackle the climate emergency, the progress the borough is collectively making, and what others are doing.

Residents also hold many of the skills and solutions to some of the challenges the borough collectively faces, whether it is through shared activities like community gardening to reduce air miles and supermarket packaging, or individual actions like reducing car use. The council will use engagement with its communities to support education and communication at a local level between residents.

To do this the council will work alongside its residents, voluntary and community sector partners to create a network of climate champions who will help raise awareness of climate issues and support environmental projects in their neighbourhoods.

The council also welcomes the jury's recommendations for working with schools. Children and young people have demonstrated their commitment to protecting the planet for their own futures, and the council will help them channel their energy and enthusiasm into local projects, and work with them to develop a Let's Go Zero Schools Network.

The council will also bring together and continue to engage and work with its partners across the borough, such as businesses, large institutions, the NHS, and housing providers, to ensure everyone is working together on common goals.

Each year, as committed to in the action plan, the council will hold an annual climate conference, with the ambition to being able to hold this event in-person in 2022. In addition to the Annual Conference, the council is also planning to launch the Southwark Sustainability Awards in 2022 to celebrate good practice across the borough.

35.

20. Other (=11th)
<p>Incentivizing and enabling fixing and repairs (circular economy):</p> <p>Southwark Council should lead and set up initiatives that incentivise businesses to operate in a more circular way, reducing consumption, and promoting fixing and mending – leading the charge on helping residents use their 'right to repair'. The council should open fixing centres and repair cafes to reduce waste and incentivise businesses that reduce waste.</p>
<p>Council Response:</p>

The council fully supports this jury recommendation and has a section of the Climate Action Plan dedicated to creating a 'more circular economy'. This includes a series of actions focused on supporting residents to reduce consumption and increase reuse and recycling rates in the borough. Initial work will focus on launching the borough's first Library of Things.

Library of Things is a social enterprise that rents out affordable and useful items like drills, sewing machines and kitchen utensils from local spaces to the community. Established in 2014, they now have nine sites across London including in Greenwich and Bromley. Their central objectives are to reduce waste and carbon emissions and help local residents save money.

The council has reached a funding agreement with Library of Things for an initial site and is exploring a preferred location, with the plan to launch by early 2023. While this is the initial action, the council will also explore the opportunity to expand this programme and how fixing and repair centres may further support residents in the borough to reduce consumption and waste while also saving money.

NEXT STEPS

36. As noted in the report, the recommendations that are being taken forward by the council have been built into the Climate Action Plan, an update on which is being taken in a separate report to Cabinet in July 2022. The council is developing an online dashboard, for reporting of smart actions, which will allow the jury's work to form an important part of a new and regular reporting of progress.
37. The report has also identified a number of other policy documents across the council where the jury's recommendations are relevant, many of which are due to be updated in 2022 and 2023. The Climate Change Team will continue to liaise with colleagues across the council, to ensure the work of the jury is considered more widely than just the Climate Action Plan.
38. The council's upcoming communications and engagement strategy will also set out options for how jury members can remain involved in the council's work, for example through the set-up of local climate champions.

Policy framework implications

39. The recommendations from the jury have been considered and used to update the council's Climate Action Plan. The action plan is a key policy framework, and as such these recommendations will have an impact on the policy framework of the council. Where a recommendation from the jury has direct impact on the Climate Action Plan, the relevant action has

been listed in Appendix A. This also lists other policy documents that overlap, such as the Southwark Plan and Movement Plan.

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

40. Climate change is experienced unequally. Income, race, age, and health status are just some of the factors that can influence how Southwark's people experience climate change. Some people are more susceptible to the contributors and effects of climate change, and others are less able to mitigate against the impacts. The recommendations from the Citizens' Jury provide opportunities to reduce inequality and promote fairness.

Climate change implications

41. The citizens' jury process was commissioned to directly inform the council's work on climate change. The project has been essential in ensuring the input of residents into the update of the council's Climate Action Plan in 2022. This report sets out which of the jury's recommendations have been taken forward, alongside those that either sit within alternative council policies or those that cannot be supported, with a clear rationale.

Resource Implications

42. Staffing and any other costs connected with this report to be contained within existing departmental revenue budgets.

Financial Implications

43. The Council has committed to becoming carbon neutral by 2030 and has invested in excess of £100m in the capital programme. In addition, in February 2021, cabinet approved a capital budget of £25m as part of the council's capital programme to help tackle the Climate Change Emergency.
44. Projects totalling £13m have already been approved but there is a shortfall in available resource to deliver all the recommendations set out by the jury. Where a recommendation is being taken forward the corresponding action in the climate action plan is detailed in Appendix A. The supporting cabinet paper focused on the council's Climate Change Annual Report provides a detail update on whether resource that is in place to deliver each of these actions.
45. A number of additional financial commitments have been made following the completion of the citizens' jury process. This allocates additional funding of £7.5m from the council's climate change capital fund to support priorities made by the jury;
 - a. Funding to improve walking in Southwark: £1m (linked to recommendation 8; Make walking great again)

- b. Green Space Enhancements and Biodiversity Improvements: £1m (linked to recommendations 16; Trees and 17; Green spaces /natural resources)
 - c. Funding to further reduce the council's own emissions: £5m (linked to recommendations 4; Improvements in energy efficiency of housing and 6; Significant reduction in cars)
 - d. A Southwark Community Energy Fund: £400k (linked to recommendation 5; Improve local generation and use of green energy)
 - e. Additional funding for cargo bike expansion: £100k (linked to recommendation 10; Haulage and Freight).
46. Any agreed additional projects and action plans that cannot be contained within existing budgets will be considered as part of the council's budget setting process for both revenue and capital budgets.
47. Officers will also be exploring external and central government funding in contributing towards the council's agenda for tackling the climate change emergency.

Legal implications

48. There are no direct legal implications arising from this report; however, any necessary legal advice should be sought in relation to individual decisions resulting from the ongoing implementation of the Climate Change Strategy and Action Plan.

Consultation

49. Extensive engagement and consultation has taken place in relation to the development of the initial climate strategy and action plan. The citizens' jury has been the next step in engagement with residents, allowing a selected group the time, support and expertise to learn about the issue in greater detail. As explained in the report, this detailed engagement work has allowed for the views of residents to be a key consideration in the update of the Climate Action Plan, and the publication of smart actions.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Governance

50. This report sets out the recommendations arising from the Climate Change Citizens' Jury's deliberations, and includes in part agreements to update the council's current Climate Action Plan and processes relating to this. The council has the statutory authority to produce and update the Climate Change Strategy and Action Plan policy in accordance with the powers of general competence in section 1 of the Localism Act 2011.

51. The development of a climate change strategy is an executive function of the council which can be considered by the cabinet in accordance with the Local Government Act 2000 and Part 3B of the council's Constitution.
52. There are no significant legal implications arising from the recommendations in this report, but the Director of Law & Governance and her staff will provide advice to officers on any legal and governance issues arising during the continuing development of the strategy and action plan.
53. The cabinet will need to ensure that the public sector equality duty in section 149 Equality Act 2010 is considered i.e. to have due regard to the need to eliminate discrimination, advance equality of opportunity, and to foster good relations between people with protected characteristics and others. Reference is made to this in the "Community, equalities (including socio-economic) and health impacts" section above.
54. The jury's deliberations and recommendations are one aspect of consultation by the council in the development of its climate change strategy. The report clearly demonstrates how the council has taken careful note of the recommendations and provides a response for the cabinet to take account of in its further consideration of the council's climate strategy.

Strategic Director of Finance and Governance (CAP22/017)

55. This report is requesting cabinet to note the responses to the citizen's jury recommendation on climate change and also approve the amendments to the council's climate change strategy and action plan.
56. The strategic director of finance and governance notes the financial implications in the report and understands that any agreed action plans that cannot be contained within existing budgets will be considered as part of the council's budget setting process for both revenue and capital budgets.
57. It is also noted that officers will also be exploring external and central government funding in contributing towards the council's agenda for tackling the climate change emergency.
58. Staffing and any other costs connected with this report to be contained within existing departmental revenue budgets.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Climate Citizens Jury – Receipt of recommendations report	Constitutional Team / Tooley Street	Paula Thornton Paula.thornton@southwark.gov.uk
Link (please copy and paste into browser): https://moderngov.southwark.gov.uk/documents/s105587/Report%20Climate%20Change%20Citizens%20Jury.pdf		

APPENDICES

No.	Title
Appendix A	Southwark Climate Change Citizens Jury Recommendations Breakdown

AUDIT TRAIL

Cabinet Member	Councillor Helen Dennis, Climate Emergency and Sustainable Development	
Lead Officer	John Wade, Head of Traded Services	
Report Author	Tom Sharland, Climate Change Programme Lead	
Version	Final	
Dated	6 July 2022	
Key Decision?	Yes	
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	6 July 2022	

Item No. 11.	Classification: Open	Date: 18 July 2022	Meeting Name: Cabinet
Report title:		Climate Emergency Annual Progress Report and Update of the Climate Strategy and Action Plan	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Helen Dennis, Climate Emergency and Sustainable Development	

FOREWORD - COUNCILLOR HELEN DENNIS, CABINET MEMBER FOR THE CLIMATE EMERGENCY AND SUSTAINABLE DEVELOPMENT

The most recent report from the Inter-Governmental Panel on Climate Change (IPCC) has once again, been another stark warning, that things must change in order to avoid irreversible and damaging climate change. The authors have called for a “decade of action” and this is a call that all of us in positions of leadership and responsibility must heed. At the same time however, there is a glaring gap between global and national targets, and the delivery of the changes required, and at the local level we are having to face up to the reality of huge resourcing gaps which stand between our political ambition to be a carbon-neutral borough by 2030, and our ability to achieve this.

This updated action plan and progress report aims to highlight some of these challenges, providing further detail about timelines and funding for pieces of work as requested by the Overview & Scrutiny Committee, whilst also celebrating many of our achievements in Southwark and successful projects to date. Over the last year in the role as lead Cabinet Member for the Climate Emergency, it has been encouraging to see some really ground-breaking pieces of work near completion – whether that has been the delivery of our Public Sector Decarbonisation Scheme programme, installing solar panels and heat pumps into public buildings like our libraries, or the £7m retrofit of district heat networks on the Consort, Newington and Wyndham Estates. We are also ensuring that policies across the Council line up with our climate plans, and I am delighted that our now adopted Southwark Plan has such stretching carbon reduction targets for new developments – both residential and commercial – in our borough.

We know that tackling the Climate Emergency must be a collaborative borough-wide effort, and so that’s why in this updated action plan, we have also sought to draw on the collective wisdom of our recent Citizens’ Jury on Climate Change, as well as integrating new political priorities which will be reflected in our forthcoming Council Delivery Plan. Building on the £13m already allocated from our Climate Capital Fund for work which includes the establishment of a Southwark Schools Decarbonisation Fund, and for the acceleration of LED street lighting across the borough, we are intending to use the limited resources that we do have, to enhance some of those areas that have been prioritised by the

Jury, including through the investment of an additional £1m to improve walking routes across Southwark. Further improvements to parks and green spaces will also be supported through the Climate Capital Fund. And a new Southwark Community Energy Fund will be developed to enable groups to scale up their work locally.

Ultimately, this work must be about improving the lives of people and future generations across our borough. And with all the current pressures on household finances, we must continue to demonstrate that climate action can improve wellbeing for those at the sharp end of the cost of living crisis. As we continue to reflect on where we need to go further, we will be focusing on those things that deliver real and tangible benefits for our residents, including through the creation of 2000 new green jobs, and we will increase our advocacy where that's required – especially in the areas of housing retrofit and the need for public transport investment. And we will also be exploring ways in which we can improve on our community engagement around climate change, building on the work of the Citizen Jury by creating a network of Climate Ambassadors and improving our online communications. I want to thank everyone who has been part of this journey to date, and look forward to continuing this vital work in partnership with you.

RECOMMENDATIONS

1. Notes the progress made since publication of the previous climate change strategy and action plan in July 2021.
2. Agrees to the publication of the smart action dashboard, as set out in the report, on the council's website, which highlights the extent of delivery across the council but also the significant funding, resource and expertise gap in achieving net zero by 2030.
3. Agrees the approach to reviewing council wide policy and ensuring that climate objectives are built into the council's wider work as standard.
4. Agrees the proposed community engagement approach and associated governance structure, which sets out how the citizens' jury process will be utilised to underpin further resident engagement.
5. Notes the significant amount of revenue and capital funding now allocated in support of the action plan, and agrees to explore every route to attract and maximise additional resources for the Climate Emergency.
6. Agrees to proceed with additional allocations from the Climate Capital Fund to deliver projects in line with the climate action tracker and some priorities set out by the Citizens' Jury.

BACKGROUND INFORMATION

7. In July 2021, Southwark Council published its first Climate Change Strategy and Action Plan. As part of this, the council promised that it would annually review progress taken towards becoming a carbon neutral borough by 2030.
8. In December 2021, Overview and Scrutiny Committee made a number of recommendations to cabinet. Amongst other points, these recommendations included that the climate action plan should be 'be fully costed, showing clearly what funding is currently available, all sources of potential funding, innovative solutions to be tried, and where gaps remain'. It also recommended that the strategy and action plan be 'aligned with other major Southwark Council policies like the New Southwark Plan, the Waste Strategy, and the Movement Plan'.
9. In March 2022, the council published a response to the Overview and Scrutiny Committee's report on the strategy and action plan. Within the response, the Council promised to 'revise Southwark's Climate Action Plan to include smart targets throughout, including staged timeline and funding requirements and allocation against each action and policy'. It also promised to 'carry out a review to ensure the alignment and integration of all council policies with the Climate Action Plan.'

CITIZENS' JURY

10. From November 2021 to March 2022, the council ran a Citizens' Jury focused on climate change, with the aim of supporting the update of its Climate Action Plan. Made up of 25 residents with a broad range of views and experiences, the group was brought together to respond to the question; *'what needs to change in Southwark to tackle the emergency of climate change fairly and effectively for people and nature?'*
11. During the sessions, jurors heard from a range of expert commentators on climate change and had an opportunity to question the commentators, share opinions with each other, and ultimately reach a set of recommendations on how Southwark can best reduce emissions across the borough.
12. The jury formed a total of 20 recommendations in response to the central question, tackling themes such as housing, transport and business. As part of this process, the council promised to align the climate action plan with the recommendations set out by the jury where feasible. The council has therefore reviewed all actions within the climate action plan against the jury's recommendation, to align priorities where possible and ensure the council's work reflects the priorities set out by the jury.
13. This has resulted in a number of new actions being added to the climate action plan, or changes in wording to better reflect the jury's proposals. There were also actions that better aligned with other council policies, and

some that the council has limited influence over or cannot take forward. The council has responded in full to the recommendations of the Climate Change Citizens' Jury in an adjoining report also being considered by Cabinet in July 2022.

KEY ISSUES FOR CONSIDERATION

14. The council is committed to improving its reporting of progress on climate change related projects. This report provides and update on recent progress in the last 12 months, updated carbon emissions data and a full list of smart (specific, measureable, achievable, realistic, and time-bound) climate actions. In order to ensure the information is publically accessible, alongside this report, the climate change pages on the council's website will be refreshed, to allow clearer and more transparent reporting of progress, sharing of best practice and information on what residents can do to lower their own emissions.

Projects delivered to date

15. Since July 2021, considerable progress has been made in our approach to the climate emergency. On internal procedures and engagement, the council has done the following:
- Resulting from a constitutional change, embedded climate change 'concurrent' in all reports, ensuring that due thought is given to the impacts of all decisions taken by the council on emissions.
 - Set up internal governance structures (at an officer and director level) to oversee the delivery of our climate action plan.
 - Set up key funding streams to develop new carbon-saving projects, through the Green Buildings Fund and the Climate Capital Fund.
 - Established a baseline budget to support a permanent Climate Change Team.
 - Updated existing policies across the council to reflect the climate action plan.
 - Overseen the running of a Citizens' Jury, which produced a report that has been fully considered in our updated action plan.
16. We have also seen significant progress in the projects and schemes rolled out to reduce carbon emissions and protect biodiversity in the borough. This includes:
- Significant retrofit on council-owned buildings such as offices, libraries and youth centres, including LED installation, solar PV on nine new sites, air-source heat pumps, glazing improvements and insulation upgrades.
 - Introduced a diesel surcharge and ongoing delivery of electric vehicle (EV) charging (nearly 400 charge points in total), including new charge points at council buildings on Tooley Street and Queens Road.

- Surpassed the target of planting 10,000 trees by 2022 and significantly expanded our Allotment Guarantee, with 108 new allotment plots created on estates.
- Secured funding with adjacent boroughs to establish a Green Skills Hub at London South Bank University.
- £16 million of funding secured to bring a low-carbon heat network to a new area of Southwark, expected to deliver on average 11,100 tonnes of carbon savings each year.
- Allocated an additional £2.18 million of funding to accelerate plans to switch all street lighting to LED, cutting carbon emissions in half.
- Publication of the Southwark Plan, which supports the creation of 58,000 new jobs, as part of a green new deal for the borough. It also designates 22 new sites of importance for nature conservation and brings forward stretching targets for the reduction of on-site carbon emissions, going beyond the London Plan.
- A reduction of 50% of carbon emissions from our pension fund at the end of September 2021, compared with those at March 2017. This is part of our overall aim of reaching net zero carbon in our pension fund by 2030.
- All 10 Southwark Streetspace schemes have been made permanent, reducing traffic and promoting more active travel.

Projects delivered in the next 12 months

17. All of our actions are detailed within the climate action plan, which included in the Appendix 1 of this report. Below are some of the projects that are part of that action plan, which will be delivered in the next 12 months:
 - Feasibility assessments to be completed for worst-performing operational council buildings, with future projects totaling £8.7million
 - Roof insulation in properties identified by Warmfront will be completed
 - Exemplary pilot schemes to be developed on site in Ann Moss Way and the Tustin Estate
 - Completion of heat pumps project currently on site at the Consort, Newington and Wyndham estates. Between these three sites, heat will be supplied to 2,175 properties
 - On track to have 500 cycle hangars installed by summer 2022
 - Initial scoping meeting held to develop terms of reference for schools climate network
 - Implementation of new Pesticide Policy adopted across the council
 - Launch the green strand of the Pioneers Fund to support local businesses to take climate action
 - Delivery of the Lost Peck Flood Alleviation Project, with £1.77m in funding support from the Environment Agency
 - Pilot projects progressed at Brunswick Park Primary School and Crampton Primary Schools, converting heating systems to air source heat pumps

18. In addition, the administration is setting out its priorities for the council term through the forthcoming Council Delivery Plan. Among other things, this will include additional actions to tackle the Climate Emergency such as:
- Establishing a Southwark Green Finance initiative to maximize the resources available for climate action
 - Halving the Council's operational emissions again
 - Rolling out an ambitious programme to upgrade heating and insulation on our council homes
 - Establishing a Southwark Green Homes Advice Service
 - Creating 2000 additional green jobs
 - Working for Southwark to be the first inner London borough to have at least 100,000 trees
 - Doubling the number of cycle hangars again and offering free cycle lessons to residents
 - Delivering 1000 more EV charging points

Smart actions

19. To ensure clear ownership of actions, set achievable milestones and track the progress on our actions going forward, the council has also developed a 'smart' action tracker (Appendix 1). An accessible, online version of this tracker is being developed and will be published on the council's climate change webpages. In publishing these actions online, the council can ensure that information on progress is available to all. Actions can also be updated to reflect the latest progress on an ongoing basis, rather than waiting for annual reporting cycles. New actions will be added as identified on an ongoing basis.
20. As detailed in the adjoining Cabinet paper on the Citizens' Jury, progress against the jury's recommendations will also be tracked via the smart action tracker, rather than creating a separate process for reporting. Numerous recommendations from the jury were already included in the council's work. There are also several reworded or entirely new actions that have been added to the council's climate action plan in response to the jury's work, alongside a small number of jury recommendations that have not been taken forward at this time.

Delivery challenges for our 2030 commitment

21. As outlined in the Climate Change Strategy (2021), there are significant challenges that need to be addressed if we are to reach our carbon neutral target by 2030. Firstly, a considerable funding gap must be closed if we are to progress towards net zero carbon. For example, the cost of building retrofit required to upgrade our council housing stock and beyond that, the huge scale of change required across the private building stock. Resources that are being made available centrally, such as the Social Housing Decarbonisation Fund, often have short time-frames and require local authorities, all of whom must respond to the Climate Emergency, to bid against one another for a relatively small pot of funding.

22. In the current context, transport funding is also a particular challenge. The lack of a long-term funding settlement for TfL is creating a huge amount of risk and uncertainty around the resources available for public transport, active travel and infrastructure to support the climate strategy and action plan.
23. Secondly, there is a shortfall of expertise, skills and knowledge in the market place, around key areas such as retrofit, to deliver the ambition of being carbon neutral by 2030.
24. Thirdly, we will need additional staffing resource in the council to deliver the actions and to work with and engage with partners. The challenge around our annual budget settlement is well known, with the council having lost the equivalent of 63p in every £1 of grant funding from central government since 2010.

How we are responding to those challenges

25. On the financial gap, we are continuing to support our project delivery through the Climate Capital Fund and the Green Buildings Fund. A total of £13m has already been allocated from the Climate Capital Fund, this report sets out the next tranche of funding to be allocated from this funding stream:
 - Funding to improve walking in Southwark: £1m
 - Green space enhancements and biodiversity improvements: £1m
 - Funding to further reduce the council's own emissions: £5m
 - A Southwark Community Energy Fund: £400k
 - Additional funding for cargo bike expansion: £100k
26. The council is also developing the first Green Buildings Fund proposals, which will to be presented to Planning Committee later this year.
27. On top of this, the council will continue to seek government funding, building on its successful delivery of the Public Sector Decarbonisation Scheme project, and consider other additional sources including through a Southwark Green Finance initiative. The council will expand its lobbying of national government for crucial funding such as building retrofit, where there is a significant gap in the council's funds.
28. On skills and resources, the council is already working with other local authorities to develop a Green Skills Academy at LSBU and to enhance work around retrofit. Internally, our Southwark Construction initiative will also play a leading role in developing green skills.
29. On additional internal resources, the council will focus on those priority actions within the climate action plan where additional resource has been identified as a barrier to delivery and will explore how to effectively bridge the resourcing gap.

Data

30. Following on from an initial assessment of emissions as part of the Climate Change Strategy in 2021, the council has recommissioned an assessment of emissions based on more recent data. This report is contained with Appendix 2 and covers an assessment of both the council's own emissions and wider emissions for the borough as a whole.
31. The council's own emissions were analysed using data from 20/21, covering the council's buildings and vehicles (primarily scope 1 and 2 emissions) and the council's procurement (scope 3). In total the council emitted 415 ktCO₂e, with procurement accounting for 84% of total emissions. While emissions have decreased from the data included in last year's report (19/20 data), it should be noted that this more recent assessment coincides with a number of coronavirus restrictions, such as enforced home working, which will have impacted on reducing energy use in operational buildings, while increasing energy use at home.
32. Emissions under the council's direct control, scope 1, were once again dominated by buildings, with the main emitters highlighted in Appendix 2. Council housing is responsible for over 90% of these emissions and the borough's climate action plan has a number of actions that focus on addressing this issue as a priority.
33. The remaining operational emissions (including schools and vehicle fleet) are the focus of the council's target to halve emissions again by 2026, an action detailed within the climate action plan. Leisure centres have been included in the data provided, given their upcoming return to council management and therefore the need to address the emissions generated by these buildings as a priority.
34. Appendix 2 also details the methodology used for analysing borough wide emissions, which were also led by buildings (75%) and transport (18%). This assessment of data from 2019, also shows a decrease in emissions from those presented last year (using 2017 data). However, the council will continue to strengthen this analysis as new, more recent data sets become available, to understand trends and how this should inform priorities within the climate action plan.
35. The emissions analysis list the assumptions used to generate the data alongside guidance for future reporting, as the council will be undertaking more of the analysis directly in future years.

Communications and engagement

36. For Southwark to achieve its bold ambition to be carbon neutral by 2030, the whole borough needs to work together, to change the way we live our lives and run our businesses. The council has a leadership role in supporting this work, but we know our communities, businesses and partner organisations will have their own ideas and solutions for helping the

environment and reducing carbon emissions. Through effective communication and engagement as set out in a comprehensive communications and engagement strategy, the council will:

37. **Inform** – The work of the citizen’s jury showed us that there is a wide range of knowledge and understanding about climate change in our borough, with some residents knowing a great deal, and others feeling uninformed. Through council channels, voluntary and community organisations, business networks, schools and colleges, we will ensure everyone in the borough can access accurate and useful information about the steps they can take to tackle the climate emergency, the progress we are collectively making, and what others are doing.
38. **Influence** – To do everything we want to do as a borough, we need national policy change, and additional government funding. We will continue to work with local councillors, MPs, London Councils, the GLA and campaign groups to exert our collective influence on national decision-makers to bring about positive change. From financing the retrofitting of tower blocks to helping residents insulate their homes, we will press for what Southwark needs to become carbon neutral.
39. **Engage** – We know local people hold the solutions to many of the challenges we collectively face, whether it’s through shared activities like community gardening to reduce air miles and supermarket packaging, or individual actions like reducing car use.
40. We will work with our voluntary and community sector partners to create a network of climate champions who will help raise awareness of climate issues and support environmental projects in their neighbourhoods.
41. Children and young people have demonstrated their commitment to protecting the planet for their own futures, and we want to help them channel their energy and enthusiasm into local projects, and work with them to develop a Let’s Go Zero Schools Network.
42. We will also bring together and continue to engage and work with our partners across the borough, such as businesses, large institutions, the NHS, and housing providers, to ensure we are all working together on our common goals. In addition to our Annual Conference, we are also planning to launch the Southwark Sustainability Awards in 2022 to celebrate good practice across the borough.
43. We will connect with campaigners and activists across the Southwark, and establish a regular pattern of meetings, to ensure that we are listening to concerns and challenging ourselves to be as ambitious as possible.

Policy framework implications

44. The council will also ensure that internal policies align with our climate change strategy, including refreshed versions of our Southwark Nature

Action Plan, Air Quality Action Plan, Movement Plan, and Economic Wellbeing Strategy. This is shown in our policy tracker, which can be found in Appendix 3. The policy tracker is a result of a review of key policies across the council, and we will continue to update this to reflect how these policies are being aligned with our climate goals.

45. The council will also develop an Adaptation Strategy, focussing on how to best prepare the borough for the impacts of climate change. This will build on work already taking place on climate change mitigation, such as our Local Flood Mitigation Strategy.

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

Community impact statement

46. The evolving communications and engagement plan on climate change will reaffirm our commitment to engagement, empowerment and education, and working with all our residents is essential to our success. As set out in the climate strategy, we will particularly focus on groups who are traditionally under represented and ensure that our work reflects the aspirations and concerns of our residents.
47. The council is committed to the values of a fairer future for all, and as detailed in this report is committed to narrowing social inequality and injustice. This has been a key consideration of the development of the council's communications and engagement plan on climate change.

Equalities (including socio-economic) impact statement

48. While everyone is affected by climate change, the extent of that impact is not equal. 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 our approach including maximising the co-benefits of action and ensuring that climate change policy reduces inequality and promotes fairness. Recognising the inequality in the climate emergency, we are aiming to engage with the broadest section of the borough so that those who are most affected are able to share their views about the solutions. This has initially been realised through the work of the citizens' jury.

Health impact statement

49. Action towards climate change can promote improvements in health, for example by reducing pollution, mitigating against extreme temperatures, and encouraging active travel.

Climate change implications

50. This report directly addresses how the council is continuing to focus on climate change within its work, ensuring it underpins all we do as a council.

The report demonstrates the progress and improvements made over the last 12 months, since the publication of the council's initial climate change strategy and action plan, while also recognising that further work is needed, at pace, to ensure progress towards the 2030 target.

Resource implications

51. The climate action plan sets out where resource is an issue for the council in delivering the stated actions. As detailed above, we will explore how to effectively close the resource gaps in key areas to allow delivery of actions.

Legal implications

52. There are no direct legal implications arising from this report; however, any necessary legal advice should be sought in relation to individual decisions resulting from the ongoing implementation of the Climate Change Strategy and Action Plan.

Financial implications

53. The Council has committed to becoming carbon neutral by 2030 and has invested in excess of £100m in the capital programme. In addition, in February 2021, cabinet approved a capital budget of £25m as part of the council's capital programme to help tackle the Climate Change Emergency.
54. Projects totalling £13m have already been approved and additional projects costing £7.5m are also being proposed for approval to prioritise key actions within the council's climate action plan, aligning with a number of recommendations as set out by the climate change citizens' jury.
55. Any agreed additional projects and action plans that cannot be contained within existing budgets will be considered as part of the council's budget setting process for both revenue and capital budgets.
56. Officers will also be exploring external and central government funding in contributing towards the council's agenda for climate change.
57. Staffing and any other costs connected with this report to be contained within existing departmental revenue budgets.

Consultation

58. Full consultation was carried out prior to the publication of the initial Climate Change Strategy and Action Plan in July 2021. The focus of resident engagement since that point has been the undertaking of a climate change citizens' jury, as detailed within this report. The work of the jury has directly influenced the refresh of the climate action plan and the smartening of the actions contained within.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Governance

59. The council has the statutory authority to produce this policy in accordance with the powers of general competence in section 1 of the Localism Act 2011. In order to achieve best value it is advisable to review the progress of such policies.
60. The cabinet will need to ensure that the public sector equality duty in section 149 Equality Act 2010 is considered in developing and finalising this policy i.e. to have due regard to the need to eliminate discrimination, advance equality of opportunity, and to foster good relations between people with protected characteristics and others. The report recognises the potentially disproportionate impact of climate change on those with protected characteristics and particularly refers to this in the community impact section above. Consideration has been given to ensuring that those with protected characteristics can appropriately engage in the consultation process. It is noted that a full equalities analysis will be produced to be considered by the cabinet when it finally determines the climate strategy after the consultation.
61. The development and review of a Climate Change Strategy and Action Plan is an executive function of the Council which can be considered by the cabinet in accordance with Part 3B of the council's Constitution.

Strategic Director of Finance and Governance (CAP22/016)

62. This report is requesting cabinet to note the Council's Climate Emergency Annual Progress Report and provide an update of the Climate Strategy and Action Plan
63. The strategic director of finance and governance notes the financial implications in the report and understands any proposed action plan that cannot be contained within existing revenue and capital resources will be considered as part of the council's budget setting process for revenue and capital.
64. The strategic director of finance and governance also notes that officers will be exploring external and central government funding in contributing towards the council's agenda for tackling climate change emergency.
65. Officers' time and any other costs associated with this recommendation to be contained within existing departmental revenue budgets.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Response to overview and scrutiny committee on climate strategy and action plan	Constitutional Team / Tooley Street	Paula Thornton Paula.thornton@southwark.gov.uk
Link (please copy and paste into browser): https://moderngov.southwark.gov.uk/documents/s105588/Report%20Response%20to%20the%20OSC%20report%20-%20Southwarks%20Climate%20Strategy%20and%20Action%20Plan.pdf		

APPENDICES

No.	Title
Appendix 1	Climate Action Plan
Appendix 2	Emissions Report
Appendix 3	Policy Tracker

AUDIT TRAIL

Cabinet Member	Councillor Helen Dennis, Climate Emergency and Sustainable Development	
Lead Officer	John Wade, Head of Traded Services	
Report Author	Tom Sharland, Climate Change Programme Lead	
Version	Final	
Dated	6 July 2022	
Key Decision?	Yes	
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		6 July 2022

Item No. 13.	Classification: Open	Date: 18 July 2022	Meeting Name: Cabinet
Report title:		Policy and Resources Strategy: Financial Remit 2023-24 and Scene Setting	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Stephanie Cryan, Finance, Democracy and Digital	

FOREWORD - COUNCILLOR CRYAN, CABINET MEMBER FOR FINANCE, DEMOCRACY AND DIGITAL

This report begins the council's 2023-24 budget planning process and notes the ongoing pressures on local government finances. The budget process will culminate in setting the budget and council tax in February 2023. The council has a statutory duty to set a balanced budget each year and despite the impacts of a decade of reductions in funding from the Government, where the council lost £146m in funding in cash terms, we meet that duty.

In this report we also consider the emerging pressures on the budget. These include the Cost of Living Crisis which is helped by the council through the Southwark Emergency Support Scheme (SESS), funded by reserves, Household Support Grant and Discretionary Council Tax Relief. The Climate Emergency including the Capital budget to meet carbon neutral by 2030 met through council borrowing, will impact on future revenue budgets.

Other pressures include the Capital programme, interest rate rises which will affect borrowing charges and rising inflation will add cost to the programme. We also have wider pressures through inflation and the current position assumes a 3% pay award and 6% inflation on contractual costs. We will continue to keep an eye on the impact of inflation as we go through the budget process.

The report outlines the main funding sources for the council which are:

- Settlement Funding Assessment (SFA) and Revenue Support Grant (RSG)
- Core revenue grants
- Council Tax
- Sales, fees and charges

We are currently estimating the budget gap to be £24.2m in 2023-24, assuming council tax increases of 1.99% and ASC precept of 1%. However we will not know the full scale of the gap until we receive our funding settlement in December. This financial remit report is therefore being compiled in a period of unprecedented financial uncertainty. The report considers the most likely financial position to be faced by the council in 2023-24. The forecast however includes a range of assumptions which may prove to be incorrect; sensitivity testing around these assumptions indicates a significant range of outcomes.

The 'most-likely' projected funding gap for planning purposes is £24.2m in 2023-24, but this is in a range of £3.1m best case to £50.5m in the worst case.

The report sets out an approach for the budget process for 2023-24 that takes account of the above and the requirement to identify savings options that fit within the overall policy and financial framework, aligning resources to the council's key priorities and with regard to the emerging pressures.

At this stage there are a great many assumptions and uncertainties, and the financial and economic conditions are continually changing. We continue to face demands and pressures on our services, from the cost of living crisis and additional support for the most vulnerable, social care and homelessness.

Despite these challenges we remain committed to delivering services for our residents and ensuring we support the most vulnerable in line with our emerging Council Delivery Plan and our Borough Plan.

RECOMMENDATIONS

That cabinet note:

1. Council agreed a balanced budget for 2022-23 on 23 February 2022, the main features of which were:-
 - a. A budget requirement of £293m;
 - b. Central Government Settlement Funding Assessment (SFA) of £153.6m;
 - c. Council Tax of £128.9m;
 - d. Business Rates Growth of £17m.

2. The government published a 3 year spending review in October 2021 but left significant uncertainties which made it impossible to set a 3 year budget, including:-
 - a. Shortfalls in inflation projections;
 - b. Uncertainty on the future of the New Homes Bonus;
 - c. Funding for Adult Social Care Reform but no way to reasonably estimate costs;
 - d. No clear indication of when major funding reforms will occur (Fair Funding Review and Business Rates Reset).

3. Additional financial uncertainty as a result of a number of factors:
 - A broadly positive three-year spending review, but with most of the good news front-loaded in 2022-23;
 - Limited information on the major changes to Adult Social Care which are expected to carry a significant price-tag in 2023-24 and 2024-25;
 - The Business Rate Revaluation taking effect on 1st April 2023 and the potential impact on locally retained revenues;
 - Rising inflation driving an emerging cost of living crisis;
 - Rising interest rates increasing the cost of credit for residents and the cost to the council of financing its ambitious capital programme;
 - Economic and financial impacts to the council of exiting the European Union;
 - The current absence of any certainty of funding streams to support climate emergency plans.

4. There are a range of possible outcomes presented in this report, with greater detail in 2023-24 than in 2024-25 and these are based on scenarios built using the best data available at the time. For 2023-24, the possible budget gap ranges from £3.1m to £50.5m, with a most likely scenario of around £24.2m.
5. The central budget forecast is based on the assumptions set out at paragraph 25, with the key assumptions being:
 - Government funding rises by 3% with the exception of;
 - New Homes Bonus – expected reduction of circa £2m resulting from ending of current scheme;
 - Market Sustainability and Fair Cost of Care Fund – expected to increase with matching commitments;
 - 2022/23 Services grant – originally described as ‘one-off’ - forecast as flat until more information known.
 - The Fair Funding Review and Business Rate Retention Reset will be delayed again until 2024-25;
 - Additional costs arising from pay and prices (3% and 6% respectively);
 - Additional debt financing costs arising from additional capital projects (£3m);
 - Council tax will increase by the maximum amount allowed (1.99%);
 - An adult social care precept of 1%.
6. That the accumulated deficit on the Dedicated Schools Grant was £21.7m at 31 March 2022 with the prospect of achieving any meaningful reduction without additional funding from the Department for Education being remote.
7. The Strategic Director of Finance and Governance, with the support of other Strategic Directors will seek to prepare indicative savings options and commitments, initially for 2023-24. For the following 2 years, 2024-25 and 2025-26, a long term strategy is going to be developed which will support the new Council Delivery Plan.
8. Cabinet will receive further reports in the autumn including modelling and proposals for future years as further information regarding funding is made available.

BACKGROUND AND PURPOSE

9. Each year, the council updates a detailed Policy and Resources Strategy covering a period that normally reflects the duration of the government’s financial settlement. As part of the Policy and Resources Strategy, and in line with requirements of the local government finance act, budgets are approved by Council Assembly for the next financial year as part of Council Tax setting. Where the settlement provides provisional funding commitments for more than one year, budgets may be agreed indicatively for a longer period.
10. For many years this process has formed the pivotal component of the council’s financial planning process. This strategy, and the formal approval by Council Assembly, sits at the heart of the council’s commitment to financial planning and

efficiency. Most importantly, the strategy is bound to the policies of the council and not least by the commitments in the Borough Plan.

11. On 1 February 2022, cabinet approved the updated Fairer Futures Medium Term Financial Strategy which confirmed the framework within which the Policy and Resources Strategy is formed. This update built upon the previous version approved in September 2016 which was aligned with the four year local government finance settlement announced in February 2016.
12. Between 2011-12, the first year of the major austerity cuts, and 2019-20, the council lost government funding in cash terms of more than £146m. According to government calculations, lost spending power exceeded £85m during the same period. Neither of these figures allowed for the real terms impact of price and demand pressures. In addition, the council has committed to priorities that have needed to be funded through a limited number of sources. During this period the council has also looked to keep council tax as low as possible, protecting the most vulnerable. Southwark has the ninth lowest council tax rate in London.
13. The Borough Plan is the council's overarching business plan. It contains a range of promises and commitments which the council has worked towards since 2018. Following May's election, the new administration will publish a Council Delivery Plan in Autumn which will set out the key policy priorities as an organisation over the next four years.
14. Council Assembly of 23 February 2022 approved a balanced budget and a Council Tax committee convened on 25th February set the council tax for 2022-23. This was a one year budget due to the uncertainty around future funding.
15. This report notes the current position with regard to the funding of the council and provides an initial forecast of the most likely budget gap for 2023-24.
16. For future years 2024-2026, a new council delivery plan is being established that will set out the council's long term strategy. This will review the council priorities that will shape and inform the longer term financial strategy of the council.

KEY ISSUES FOR CONSIDERATION

Emerging Pressures

17. Cost of Living

Whilst the council continues to provide the Southwark Emergency Support Scheme (SESS), this was originally funded by central government through the Social Fund which is no longer available. The SESS is currently resourced through a combination of earmarked reserves and annual funding through exchequer services. In recent years the fund has expanded to account for the use of Household Support Grant and other one-off government funding for issues such as holiday meals, fuel and COVID-19 related adjustments e.g. to Council Tax Reduction Scheme (CTRS) claimants. The growing issue of inflation – not least impact of food and energy bill increases means that there will be increased

pressure on these funds for the foreseeable future which are at this time not funded by central government.

18. Ukraine Crisis

The current war in Ukraine has led to a refugee crisis. The council is providing support and assistance to the 225 newly arrived Ukrainian refugees. The council has received grant funding for these refugees up until 31 May 2022. It is likely that there will be more refugees arriving over the next few months and again the council will provide support and assistance and seek to ensure that funding continues to be made available to continue to support the additional costs. There is a risk that not all costs continue to be fully funded in the longer term, we will continue to monitor and further progress will be reported to cabinet as appropriate.

19. Climate emergency

The council has provided significant capital budgets to meet the climate emergency objective to be carbon neutral by 2030. To date this has almost exclusively been provided through council resources (e.g. borrowing) and has not benefited from any material commitments from government. The demands of the actions required to meet climate emergency targets will inevitably have an impact on revenue budgets moving forward and these costs are not yet fully included within council budgets.

20. Capital programme

The council, through austerity and COVID-19 periods, has sustained a significant capital programme for the development and improvement of assets and infrastructure across the borough. Where possible this is funded through capital receipts and grant provision but all costs over and above these funding streams are resourced through borrowing. There is concern that interest rates, which have been at historic lows for a prolonged period, are now starting to rise and the maintenance of the capital programme at existing levels will inevitably create additional burdens on the general fund budget. Over and above this, the capital programme is experiencing levels of inflation that will exceed RPI and CPI particularly where work relates to buildings and construction. These costs again will convert into higher debt charges to the general fund moving forwards.

21. Business Rates Revaluation

Not to be confused with the Business Rates Reset (where the entire rates retention system is recalibrated), the Business Rates Revaluation is a periodic national refresh of the rateable values of non-domestic properties. This will take effect from 1st April 2023 and will likely result in a change in the rateable value of a significant number of the properties in the borough. Changes to this value are made to reflect changes in market conditions and these can vary from sector to sector. Rateable Values can increase or decrease and this may lead to changes in the amount an occupier or liable party is required to pay. It may also change the total amount of business rates due to the council. Whilst the overall impact nationally will be neutralised by changes to the non-domestic rating multiplier (the number by which the Rateable Value is multiplied to arrive at a billable amount), individual regions and authorities will see changes in the total rates payable in their area. Until the draft rating list is published (now expected in December 2022), it is difficult to quantify the potential impact on the budget.

22. This report sets out an initial financial outlook for 2023-24. There continues to be great uncertainty, both with respect to central government funding and in terms of the economy as a whole as the growing cost of living crisis materialises, fuelled by growing inflation.
23. The Spending Review which sets out the overall quantum of central government funding to local government took place in October 2021 and, whilst broadly positive, lacked detail around social care reform and contained some one-off funding. The Fair Funding Review and new funding baselines within a 75% business rates retention scheme were planned to be implemented by April 2021, however these have been repeatedly delayed and no firm date has yet been given. Both could have serious implications for the council's finances in future years.
24. This financial remit report is therefore being compiled in a period of ongoing financial uncertainty. The report considers the most likely financial position to be faced by the council in 2023-24.
25. At this stage the 'most-likely' budget scenario is based on the following assumptions:-
- That there will be no further COVID-19 funding and that council spend on pandemic related activities will be contained within existing budgets;
 - That the council's major revenue income streams (business rates, council tax, sales, fees & charges and commercial income) may come under collection pressures as the cost of living crisis progresses;
 - SFA and other core grants will generally increase in line with inflation, however given the current situation estimates are subject to revision;
 - the Fair Funding Review and 75% Business Rate Retention will not be implemented until at least April 2024;
 - The major grant funding streams, i.e. Public Health Grant, Improved Better Care Fund and Social Care Grants will be uplifted in line with baseline funding;
 - That, following the cessation of the New Homes Bonus scheme on 31 March 2021, the residual payments and any replacement scheme will result in a net grant reduction of around £1.9m in 2023-24;
 - Business Rates reset expected to be postponed until at least April 2024. The council is likely to lose significantly as a consequence of the Business Rate Baseline Reset so reserves of £14m have been set aside to mitigate the impact;
 - Subject to further analysis, net inflation and pay award pressures of £26m have been assumed in the most likely scenario,
 - Increased debt financing costs arising from the approved capital programme and potential additional funding for investment projects (£3m in 2023-24);

- Council tax increase in 2023-24 of 1.99%, with no changes in the local council tax support scheme; no additional adult social care precept has been assumed;
 - Retaining the contingency of £4m within the overall budget to support in year cost pressures;
26. On the basis of the assumptions made at this time, it is estimated that net savings of £24.2m will be required in 2023-24.
27. These assumptions will be continually reviewed and updated as firmer information becomes available.

Local Government funding reform

28. It remains the government's intention to implement new funding baselines for all local authorities. The new baselines will be based on the government's review of local needs and resources (the Fair Funding Review), the introduction of 75% business rates retention and resetting business rate baselines. The last time the 'needs based assessment' was updated was for the 2013-14 settlement.
29. However, due to the pandemic, the Government announced that:
- the review of relative needs and resource and the introduction of 75% business rates retention would no longer be implemented in April 2021 as planned;
 - the revaluation of business rates, due to take place in April 2021, will now come into effect in April 2023.
30. The revaluation of business rates is confirmed for April 2023, however the other major reforms remain un-confirmed and the council's working assumption is that they will not take effect until at least April 2024.

Spending Review

31. The main strategic funding decisions of central government as they relate to local government are normally made at each Spending Review; although these have been supplemented at subsequent annual Local Government Finance Settlements.
32. The Autumn 2021 Spending Review was the first multi-year review in several years. The review was a positive one, with a headline 3% average annual growth in spending power. However, as usual this growth is predicated on councils using the maximum available council tax increase and also includes significant amounts of ring-fenced growth to the adult social care budget. The review was heavily front-loaded, with most good news in 2022-23 and the remaining growth in years 2 and 3 largely comprised of money ring-fenced for social care reform. At the LGA conference in July 2022, the Secretary of State for Levelling Up, Housing and Communities announced that councils will receive a two-year settlement from 2023-24, which will provide some welcome certainty after a series of one-year settlements. No detail has yet been made available and further information will be

included in budget remit update reports to cabinet as and when it is released.

UPDATED FINANCIAL REMIT 2023-24

FUNDING FORECAST

33. The main funding sources for the council are:

- Settlement Funding Assessment (SFA) comprising the business rates baseline, business rates top-up and Revenue Support Grant (RSG);
- Core revenue grants;
- Revenue funding from local taxation (council tax and retained business rate growth);
- Sales, fees and charges.

34. Reliance on locally generated resources has increased significantly since the new funding regime post April 2013. This means the council is far more exposed to the risks arising from income volatility, i.e. business rate growth and losses, council tax income and from sales, fees and charges and commercial income.

Settlement Funding Assessment (SFA)

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

36. The forecast SFA is set out below:

	2022-23 Budget £m	2023-24 Forecast £m
Business Rates Baseline	- 37.8	- 38.9
Business Rates Top-Up	- 80.0	- 82.4
Revenue Support Grant	- 35.9	- 36.9
Total Settlement Funding Assessment	-153.7	- 158.2

37. For 2022-23 the council was funded via a settlement funding assessment of £153.7m. The central case assumes the SFA will grow at 3%.

Revenue Funding from Local Taxation

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

Business Rate Retention

39. In addition to the retained business rate assumptions given by the government (the 'Business Rate Baseline'), authorities are able to retain a share of any growth in business rates income above the government-set target.
40. The pandemic complicated business rates further, with the introduction of additional funded reliefs part-way through years. This means that reductions in business rate retention growth due to the pandemic are being compensated by central government via S.31 grants. The timing of these does not always correlate with the loss period, so movements to and from reserves are used to smooth the impact.
41. In the most likely scenario, it is forecast that business rate income, plus S.31 grants, will grow by about £3m in 2022-23. This gives the council business rate resources of £29.05m over and above the government's baseline target.

Council Tax

42. Council tax income for 2022-23 is budgeted at £128.9m including an assumed council tax increase of 1.99%. The council tax base has grown by over 20% since 2016-17 due to an increase in the number of homes, reduction in the cost of local council tax support and changes to the council tax on long-term empty properties.
43. In reviewing council tax income forecasts, major factors for consideration are:
 - Changes in take-up of working age Council Tax Support. A deterioration in the economy and an increase in the unemployment rate would impact negatively on council tax income.
 - Collection rates. Also sensitive to changes in the economy. Risks are mitigated through an effective and efficient revenues team.
 - Growth in the Taxbase. Expected growth in the number of properties in the borough is factored into forecasts (23-24 forecast: 2%).

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

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

Adult Social Care Precept

45. Since 2016-17 councils responsible for social care have been given the power to raise a social care precept. The maximum amount has varied across this period and on occasion limits were applied across multiple years allowing flexibility of timing. The table below shows the precept applied in each year. By 2022-23, the adult social care budget will be enhanced by £14m per annum.

Year	Precept
2016-17	2%
2017-18	3%
2018-19	3%
2019-20	0%
2020-21	2%
2021-22	3%
2022-23	1%

Market Sustainability and Fair Cost of Care Fund

Collection Fund surpluses and deficits

46. The pandemic had a severe impact on locally collected revenue, not least due to the additional funded reliefs introduced to support businesses. Whilst this has resulted in significant deficits on the collection fund, these have been largely offset by S.31 grants from central government. Additionally, the council has been permitted to spread the repayment of residual deficits over a 3 year period, whereas compensation would normally be required in the following year. Timing differences between incurring a loss, receiving S.31 grants and repaying any residual amounts can produce swings in the collection fund surpluses and deficits, so it is important that officers factor these in, to ensure overall resources remain reasonably consistent year-on-year.

London Business Rates Pooling Pilot

47. The council joined the London Business Rate Pool pilot arrangements for financial years 2018-19, 2019-20 and 2020-21.
48. The financial benefit of the pooling arrangement meant that 100% of business rate growth in 2018-19 and 75% of growth in 2019-20 was retained within London. The 2020-21 pooling arrangement was based on 67%. The council has received a share of the pool benefits (one-off resources in 2018-19, 2019-20 and 2020-21) for investment in initiatives set out in the February 2021 budget report.
49. In light of the unprecedented circumstances and significant financial risk presented by the economic environment in 2021-22, the business rate pool in London was stood down. Whilst the financial and other benefits prior to this had been very clear, it was apparent that the continuation of the pool into 2021-22 could actually impair the finances of individual councils and London as a whole. The pool was revived in 2022-23, but a smaller number of London authorities was included based on modelling which determined the most financially viable combination.
50. The council's exit from the Pool simplifies collection fund accounting going forwards, and the Medium Term Financial Strategy (MTFS) has been refreshed to reflect this. All business rate income, including growth, S.31 grants, deficits and other resources have been grouped together for ease of comparison and some lines have been merged for presentational purposes.

Core Grants

51. In addition to baseline funding and revenue funding from local taxation, the council also receives a number of grants which the government includes in their presentation of local authority Core Spending Power.

52. The forecast core grants are set out below:

	2022-23 Budget	2023-24 Foreca st
	£m	£m
Improved Better Care Fund	- 17.85	- 18.38
New Homes Bonus	- 5.11	- 3.19
Social Care Grant	- 17.78	- 18.31
Market Sustainability and Fair Cost of Care Fund	- 1.06	- 9.16
Lower Tier Services Grant	- 1.36	- 1.40
2022/23 Services Grant	- 7.99	- 7.99
Public Health Grant	- 29.50	- 30.09
Total	- 80.65	- 88.52

53. Grants within Core Spending Power:

- Improved Better Care Fund (IBCF). The improved Better Care Fund is made up of two parts, that which was initially included as part of the 2016-17 settlement and the supplementary funding announced as part of the Spring 2017 budget. The utilisation of the supplementary grant has been agreed with the Health and Well Being Board for adult social care funding pressures. It is assumed that this funding will increase at 3%.
- New Homes Bonus. New Homes Bonus (NHB) is intended to incentivise housing growth and rewards housing delivery – Southwark is due to receive £5.1m in 2022-23. The Government has announced that the scheme will not continue its current form and NHB payments in future will be legacy payments for previous growth only. We await confirmation of any follow-on scheme. The most likely scenario assumes a reduction of £2m.
- Social Care Grant. As part of the Autumn 2018 Budget the Chancellor announced additional grant funding for social care and winter pressures. This

funding has now been combined as the Social Care Grant and it has been assumed to increase at the same level as SFA.

- Market Sustainability and Fair Cost of Care Fund. In September 2021, the government announced £5.4bn of funding nationally for adult social care reform over the period 2022-23 to 2024-25. The proposals include paying the 'fair cost of care' and the implementation of a new charging regime including capping and changes to means testing as well as a wide range of other initiatives. Southwark will receive £1.06m in 2022-23 to begin implementing the 'fair cost of care' proposals, but modelling suggests this will quickly ramp to £9m+ in 2023-24 as the full range of proposals are implemented. The sector is not yet clear on how these changes will take effect and there will clearly be significant staffing and IT implementation costs to be taken into account.
- 2022/23 Services Grant. This was a new, one-off, un-ringfenced grant included in the 2022-23 Provisional Local Government Finance Settlement (PLGFS). The grant can be used to pay for any council services and includes an amount to compensate the authority for increases to employers' National Insurance Contributions related to Social Care Reform. Although described as 'one-off', it is expected to continue in some form in 2023-24 and to be distributed on a different basis, although it is unclear at the time what this will mean for Southwark and a flat settlement is assumed.

54. Grants outside of Core Spending Power:

- Public Health Grant. Alongside the finance settlement, the government publishes the Public Health allocations. Southwark's allocation for 2022-23 was £29.5m. Prior to 2020-21, Public Health grant had reduced year on year since 2015-16. As part of the move to 75% BRR, Public Health Funding is likely to be incorporated into baseline funding. It has been assumed that the Public Health grant will be uplifted by 2% in 2023-24 (in line with previous increases).

Fees and charges

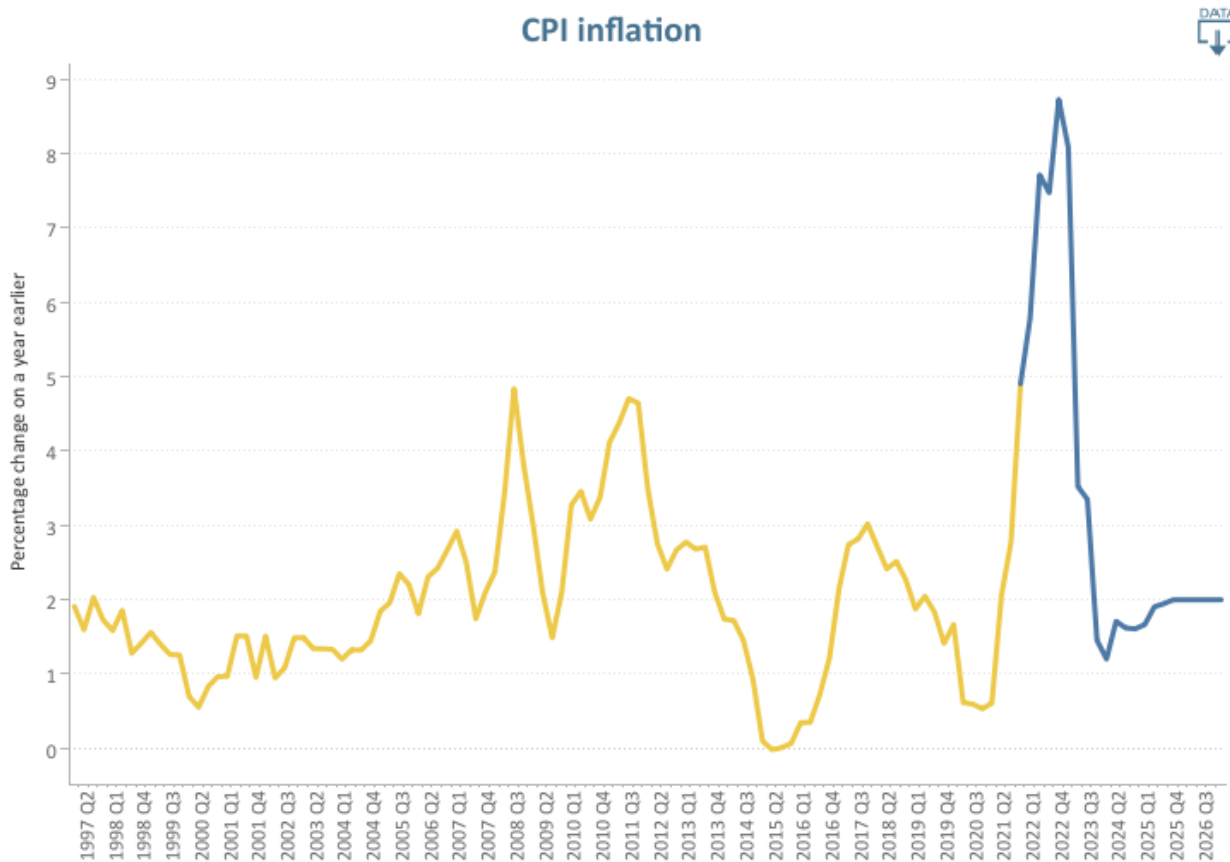
55. The council will seek to generate additional income by reviewing discretionary fees and charges and opportunities to increase other commercial income. In accordance with the council's agreed policy, fees and charges are reviewed annually to increase them to a level that is at least equal to the most appropriate London average, except where this either conflicts with council policy, or would lead to adverse revenue implications or would impact adversely on vulnerable clients. Updated fees and charges will be presented for Cabinet approval in January 2023.

COST PRESSURES 2022-23

Inflation and Pay Costs

56. Inflation will be the key risk to the council's budget setting process for 2023-24. The Bank of England (BOE) announced in May that it expects CPI to peak at 10% towards the end of the 2022-23 calendar year. The Office of Budget Responsibility forecast is similar (see chart below), although their expectation of a return to 2% in

Q4 2023 is more optimistic than the BOE who forecast a 2 year intermission between the peak and the return to 'normal' levels.



Source: ONS, OBR

57. Taking these forecasts into account, and working on the assumption that the worst inflation will have passed (and that it will be declining) from April 2023 onwards, the current budget forecast assumes a 3% pay award and 6% on contractual costs.
58. The Bank of England continues to tackle inflation via interest rate hikes and is expected to do so at every opportunity. This will affect the rate at which the council borrows to fund its ambitious capital programme and additional resources have been factored into the draft budget in recognition of this.

Risks to delivery

59. The Policy and Resources Strategy covers a wide range of services and plans of the council. It is natural therefore that circumstances and policies can change and develop over time, and the plan has to be based on broad forecasts for later years where decisions have yet to be taken.
60. The council's current and future financial position is subject to a number of risk management processes, and the financial risks affecting the council are captured in the council's risk assessment including:

- Post-pandemic recovery and renewal;
- Changes in local government funding may compromise future service delivery;
- Changes to the business rate retention scheme and any shortfall in business rate recovery will directly impact the council;
- The substantial commitment within the 10 year capital programme is not matched by resources;
- Due to unprecedented financial pressures, the council's financial balances fall below an acceptable level affecting the council's flexibility;
- Future budgets for the council are not sufficiently robust - especially in light of the current economic climate, inflationary pressures, the impact of welfare reform and future funding changes - resulting in restricted council resource and risk of service failure, increased external scrutiny and reputational damage.

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

Macro-economic risks

63. Wider macro-economic risks over which the council has no control, but which may impact on finances include;
- Ongoing economic volatility due to post-pandemic supply chain issues;
 - High energy costs likely to continue into 2023-24;
 - Rising inflation and the cost of living crisis;
 - Medium term implications of exiting the European Union.

Demographic Pressures

64. The council faces demographic growth pressures and changes in the population profiles which results in both additional numbers of referrals and increased levels of need.
65. Temporary Accommodation and No Recourse to Public Funds services are demand driven and have become an increasing pressure on council resources. Caseload remains high with a current upward demand trend.
66. Public Health pressures remain, particularly following the Covid-19 pandemic
67. Within the ring-fenced DSG, High Needs cost pressures continue with rising costs in placements and related transport and increasing demand in services for young people over 16 years old.

Reserves

68. As at 31 March 2022 the council had unallocated general fund reserves of £22.4m and net earmarked reserves of £208m, including a negative reserve for DSG high needs.
69. The net earmarked reserves are maintained to fund:
- invest to save opportunities, which, for example, form part of the modernisation agenda and are expected in part to deliver future ongoing net revenue savings;
 - investment in regeneration and development where spend may be subject to unpredictable market and other factors;
 - exceptional items or pressures which are difficult to predict and which are not included in revenue budgets or within the capital programme;
 - Ongoing cost and income pressures arising from the pandemic and cost of living crisis.

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

70. General Fund balances may be available in the short term to support the costs of the pandemic but use of these reserves will compromise financial resilience and will need to be maintained at existing levels over the MTFS period. Currently this period is constrained by the level of uncertainty created by lack of information on government funding sources. These remain critical to the council's policy and resources strategy. In recent years this strategy has necessarily been restricted to one year periods. Any use of General Fund balances by implication compromises the budget setting process for future years.
71. The council retains a level of earmarked reserves and these are reported each year within the annual statement of accounts. Reserves play a crucial role in good public financial management. They exist so that the council can invest in service transformation for the future or else allow them to respond to unexpected events or emerging needs. Excluding capital and technical sums such as insurance, usable revenue reserves amount to only a fraction of the council's turnover.
72. The legal requirement that a revenue budget deficit is not permissible when it cannot be covered by revenue reserves applies to any future financial year and not the just the current year. Reserves are one-off resources, they can only be spent once, while service demands will continue year on year.
73. The level of balances remains subject to the scrutiny of the section 151 officer who must ensure that any one off contributions to the budget are appropriate and affordable.

Next Steps

74. The main governance steps to establishing the 2023-24 general fund revenue budget are outlined in the table below:

Date	Meeting	Purpose
July	Cabinet - Budget Remit Report	High-level scene setting, initial forecast of the budget challenge and outline of 2023-23 Budget Challenge process
Summer	Strategic consideration of challenges and opportunities - Strategic Directors/Cabinet Members Cross-cutting themes	
September	Cabinet - Updated P&R Strategy	Update the financial remit and confirm the size of the budget challenges facing the council in the period to 2023-24 to 2024-25
October	Budget Challenge Round 1	
November	Cabinet - Updated P&R Strategy	To provide an update (if necessary) to include details of any government funding announcements/Spending Review
	Budget Challenge Round 2	
December	Cabinet - Updated P&R Strategy	To provide options for meeting the budget challenges over the next three financial years
	Cabinet - Council Tax Base	To confirm the council tax base that will apply for 2023-24
January	Cabinet - Updated P&R Strategy	To select proposed solutions for meeting the budget challenge
January	Overview & Scrutiny	Comment on and make recommendations in respect of the cabinet's proposed 2023-24 budget and indicative budgets for future years
February	Cabinet - P&R Strategy	Recommend to Council Assembly balanced budget for 2023-24
	Council Assembly	Council Tax setting and approve a balanced budget for 2023-24 and agree indicative budgets for 2024-25 and 2025-26

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

75. The council works in accordance with the single public sector equality duty contained within section 149 of the Equality Act 2010. This means the council must have due regard to the need to eliminate unlawful discrimination, harassment and victimisation, and advance equality of opportunity and foster good relations between different groups.
76. Transparency and fairness form part of the seven budget principles and are an underlying principle in the Borough Plan. As with the budget for 2022-23 and for previous years, each department undertakes equality analysis/screening on its budget proposals ahead of the final decisions being taken. Where screenings identify potential impacts, more detailed analysis will be carried out.
77. Undertaking equality analysis helps the council to understand the potential effects that the budget proposals may have on different groups. The analysis also considers if there may be any unintended consequences and how any of these issues can be mitigated. Analysis will also be undertaken to consider any crosscutting and organisation-wide impacts.
78. For many services, the budget proposals will include efficiencies that have staffing implications. As specific proposals are brought forward, and at each stage of implementation thereafter, the different impacts on different categories of staff will be assessed in accordance with the council's reorganisation, redeployment and redundancy procedures.
79. Equality analysis will occur throughout the cycle of planning and implementation of future budget proposals. In line with our Public Sector Equality Duty, any changes to services arising from these proposals will be implemented in such a way to not impact disproportionately on any specific section or group in our community. Where necessary, consultation will be undertaken alongside mitigating actions where necessary. In line with the process across the council, information on the equality analysis will be shared with the relevant cabinet members so it can be considered when decisions are taken. The equality analyses will be collated across the council to look for any cumulative impacts.

Climate change implications

80. The Council has reinforced its commitment to combatting carbon emissions and rising global temperatures, by joining the international Climate Change Campaign and declaring a Climate Change Emergency. The Climate Emergency is a major focus for the council, working in partnership with stakeholders, partners, staff and residents to tackle the effects of global warming and the risk to our planet.
81. The Council has committed to doing everything that it can to make Southwark carbon neutral by 2030.
82. How the council uses its resources has a significant impact on the borough's carbon emissions. Across the work we do from our housing investment, to investment in

parks and green spaces, to infrastructure changes such as electric charging points how the council chooses to use resources all impacts on our carbon emissions. The council is looking at how it can better align its work to reduce its carbon impact and meet the target of being carbon neutral.

83. As the council further develops its approach, it is looking at how carbon impact is better considered in the decisions that we take including financial decisions. Officers are currently looking at best practice in other councils as well as innovation in this area to enable decisions which are made in the council to more fully consider their carbon impact.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Governance

84. The constitution determines that cabinet consider decisions regarding the strategic aspects of the regulation and control of the council's finances. The council has a legal obligation to set a balanced budget on an annual basis as prescribed in the Local Government and Finance Act 1992 and associated Regulations. The issues contained in this report will assist in the future discharge of that obligation.
85. The council is required under section 149 of the Equality Act 2010 to have due regard to the need to:
- Eliminate unlawful discrimination harassment and victimisation
 - Advance equality of opportunity between people who share protected characteristics and those who do not
 - Foster good relations between people who share protected characteristics and those who do not.
86. Decision makers must understand the effect of policies, practices and decisions on people with protected characteristics.
87. Equality analysis is the mechanism by which the council considers these effects. The report sets out how it is proposed equality analysis will be undertaken in relation to the budget proposals.
88. It is essential that cabinet give due regard to the council's duty under the Equality Act 2010 and the implications for protected groups in the context of that duty in relation to this decision and future decisions on the budget proposals.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Policy and resources strategy 2022-23 – revenue budget	160 Tooley Street London SE1 2QH	Timothy Jones 020 7525 1772
Link: https://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=7021&Ver=4 (item 10)		

APPENDICES

No:	Title
Appendix 1	Draft Medium Term Financial Strategy

AUDIT TRAIL

Cabinet member	Councillor Stephanie Cryan, Finance, Democracy and Digital	
Lead officer	Duncan Whitfield, Strategic Director of Finance and Governance	
Report author	Timothy Jones, Departmental Finance Manager	
Version	Final	
Dated	7 July 2022	
Key Decision?	Yes	
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		7 July 2022

APPENDIX 1: Draft Medium Term Financial Strategy

	2022-23	2023-24			2024-25
		Worst	Likely	Best	
Revenue Support Grant	- 37.78	- 38.53	- 38.91	- 39.29	- 39.69
Business Rates Baseline	- 80.02	- 81.62	- 82.42	- 83.22	- 84.06
Top-Up	- 35.85	- 36.57	- 36.93	- 37.29	- 37.67
Settlement Funding Assessment	- 153.65	- 156.72	- 158.25	- 159.79	- 161.42
Improved Better Care Fund	- 17.85	- 17.85	- 18.38	- 18.38	- 18.75
New Homes Bonus	- 5.11	- 2.00	- 3.19	- 3.19	- 3.19
Social Care Grant	- 17.78	- 17.78	- 18.31	- 18.31	- 18.68
Market Sustainability and Fair Cost of Care Fund	- 1.06	- 9.16	- 9.16	- 9.16	- 13.09
Lower Tier Services Grant	- 1.36	- 1.36	- 1.40	- 1.40	- 1.40
2022/23 Services Grant	- 7.99	- 7.99	- 7.99	- 7.99	- 7.99
Public Health Grant	- 29.50	- 29.50	- 30.09	- 30.39	- 30.70
Government Grants	- 80.65	- 85.63	- 88.52	- 88.82	- 93.78
Total Government Funding	- 234.29	- 242.35	- 246.78	- 248.61	- 255.20
Council Tax	- 128.86	- 125.89	- 132.44	- 137.74	- 143.29
Council tax baseline funding	- 123.02	- 128.61	- 128.61	- 128.61	- 135.10
Council tax base - properties/LCTS working age	- 1.85	- 1.29	- 2.57	- 3.86	- 2.70
Council tax - increase	- 2.49	-	- 2.61	- 2.64	- 2.74
Council tax - ASC precent	- 1.25	-	- 1.31	- 2.64	- 2.74
Council tax - collection fund (-)surplus/deficit	- 0.25	4.00	2.66	-	-
Business Rate Growth	- 25.92	- 18.56	- 29.05	- 38.80	- 20.79
Council Tax and Business Rate Growth	- 154.78	- 144.45	- 161.49	- 176.54	- 164.08
<i>Budget requirement</i>	- 308.43	- 301.17	- 319.75	- 336.33	- 325.50
Total Funding before contributions from balances	- 389.07	- 386.80	- 408.27	- 425.15	- 419.28
Contribution from earmarked reserves	- 1.07	-	-	-	-
Total Resources	- 390.15	- 386.80	- 408.27	- 425.15	- 419.28
Prior Year Budget	377.13	390.15	390.15	390.15	408.27
Inflation					
Pay Awards	2.50	8.75	5.25	5.25	7.21
NI Increase	0.80	-	-	-	-
Contractual Inflation	5.32	21.00	21.00	17.50	18.55

Increase in Fees & Charges		- 0.50	- 1.50	- 2.50	- 0.97
Commitments & Contingency:					
ASC Reform Implementation		9.16	9.16	9.16	13.09
Growth and Commitments	18.08	3.70	5.36	5.65	4.00
Debt Financing (approved programme)	2.06	5.00	3.00	3.00	2.00
Budget Before Savings & Efficiencies	405.90	437.26	432.42	428.21	452.15

Budget Gap before Savings & Efficiencies	15.75	50.45	24.15	3.06	32.86
Savings					
Effective use of resources and efficiencies	- 6.96	-	-	-	-
Income, Fees and Charges	- 5.18	-	-	-	-
Other Savings	- 3.61	-	-	-	-
Total Savings	- 15.75	-	-	-	-

Total Budget	390.14	437.26	432.42	428.21	452.15
<i>2023-24 Savings & Efficiencies still to be identified</i>					<i>24.15</i>
Total Shortfall	- 0.00	50.45	24.15	3.06	57.01

Item No. 14.	Classification: Open	Date: 18 July 2022	Meeting Name: Cabinet
Report title:		Policy and Resources Strategy: revenue monitoring report outturn, including treasury management 2021-22	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Stephanie Cryan, Finance, Democracy and Digital	

FOREWORD – COUNCILLOR STEPHANIE CRYAN, CABINET MEMBER FOR FINANCE, DEMOCRACY AND DIGITAL

This report sets out the outturn position for the general fund, housing revenue account and the dedicated schools grant for the financial year. I am pleased to announce a balanced outturn position after using £13.5m of COVID support grants, £4m contingency and earmarked reserves.

This is a good outcome as the council dealt with a second year of COVID and implemented a number of national schemes to support businesses and residents together with the council stepping in to support vulnerable households.

As we enter recovery from the pandemic there are a number of significant underlying budget pressures.

In the General Fund the outturn position for the Dedicated Schools Grant is a £1.1m in year deficit which brings the accumulated position to £21.7m due to ongoing high needs pressure. We are in discussions with the Department of Education and the Education and Skills Funding Agency as this is a national problem which needs government support to bring any reduction in the deficit. In children’s social care we have a shortage in supply of children’s social workers and an increase in the number of Unaccompanied Asylum Seeking Children. This is placing additional financial pressures on the department. We also continue to see overspends in temporary accommodation due to increased demand exacerbated by the pandemic, driven by the national homelessness crisis and excessive private sector rents. A review of this is taking place through the Budget Recovery Board to review all aspects of policy and provision and procurement.

There are a number of significant underlying budget pressures in the Housing Revenue Account. New commitments have arisen from the management and maintenance of housing stock. New requirements arising from the Building Safety and Fire Safety Acts will only serve to exacerbate the pressure on both revenue and capital resources. In addition, the Council needs to borrow to

fund the housing investment programme which will increase significantly at the same time as meeting investment in current stock, building and fire safety works, investment in our heat networks, and our commitments to carbon reduction.

Despite the ongoing pressures, the outturn position continues to demonstrate strong financial management and sound governance arrangements across the Council.

RECOMMENDATIONS

1. That the cabinet notes the balanced general fund outturn position for 2021-22 after the application of reserves and emergency Covid-19 funding (Table 1);
2. That the cabinet note the application of £13.5m of general Covid-19 emergency grant funding;
3. That the cabinet notes the key adverse variations and budget pressures underlying the outturn position:
 - (i) The DSG outturn position of a £21.7m deficit and the pressures on high needs budgets;
 - (ii) The continuing budget pressures within Children's Social Care;
 - (iii) The continuing budget pressures on Temporary Accommodation;
4. That the cabinet notes the utilisation of £4m contingency (paragraph 60) to offset adverse variances;
5. That cabinet notes the housing revenue account outturn for 2021-22 (Table 2, paragraphs 61-69);
6. That cabinet notes the detailed movements of earmarked reserves as set out in Appendices B and C;
7. That cabinet notes treasury management activity in 2021-22 (paragraphs 85-92)
8. That cabinet approves the interdepartmental budget movements that exceed £250k, as shown in Appendix A;
9. That cabinet note the interdepartmental general fund budget movements that are less than £250k as shown in Appendix A.

BACKGROUND INFORMATION

10. This report sets out the outturn position for the general fund, housing revenue account and dedicated schools grant for the 2021-22 financial

year.

11. The council agreed a balanced General Fund budget of £293.1m on 24 February 2021 based on a 4.99% council tax increase. The Policy and Resources Strategy for 2021-22 assumed that reserves of £5.8m would be used to support the budget.
12. The council also approved budget decisions which included efficiencies, savings and additional income generation of £14.3m within the General Fund for 2021-22. Performance on achieving these savings is closely monitored and any significant variances are included in departmental narratives.
13. The cabinet agreed a balanced housing revenue account (HRA) budget on 19 January 2021.

KEY ISSUES FOR CONSIDERATION

General fund overall position

14. The final outturn position for the general fund is balanced after the utilisation of reserves, as set out in Table 1 below. This table shows the departmental budget outturn variances together with the utilisation of reserves to come to the balanced outturn as at the end of 2021-22.

Table 1: 2021-22 General Fund outturn position

General Fund	Original Budget	Budget Movement	Revised Budget	Net Spend in Year	Year-end reserve movement	Total use of resources	Variance after use of reserves
	£000	£000	£000	£000	£000	£000	£000
Children & Families	65,440	318	65,758	68,568	-	68,568	2,810
Adult Social Care	86,236	27	86,264	83,061	-	83,061	(3,202)
Commissioning & Central	4,629	-	4,629	4,826	-	4,826	197
Education	21,162	(2,941)	18,222	17,984	-	17,984	(237)
Children & Adults (excl. DSG)	177,468	(2,596)	174,872	174,440	-	174,440	(432)
Dedicated Schools Grant	150	(150)	-	1,056	-	1,056	1,056
Environment & Leisure	87,811	1,984	89,795	90,381	-	90,381	586
Housing & Modernisation	61,168	(755)	60,413	68,218	-	68,218	7,805
Chief Executive's	(302)	1,521	1,219	3,049	-	3,049	1,830
Finance & Governance	20,865	364	21,229	21,187	-	21,187	(43)
Public Health	(0)	-	(0)	(0)	-	(0)	0
Strategic Finance	(10,893)	641	(10,252)	(24,452)	17,902	(6,550)	3,702
Support Cost Reallocations	(41,332)	(1,009)	(42,341)	(42,341)	-	(42,341)	-
Contingency	4,000	-	4,000	4,000	-	4,000	-
Contribution from Reserves	(5,815)	-	(5,815)	(5,815)	-	(5,815)	-
Net Revenue Budget	293,121	-	293,121	289,724	17,902	307,626	14,505
DSG overspend taken to DSG adjustment account				-	(1,056)	(1,056)	(1,056)
Covid-19 emergency funding support				(13,449)	-	(13,449)	(13,449)
Outturn after reserve movements				276,274	16,846	293,121	-

15. The overall 2021-22 outturn position shows a nil variance after movements to reserves and application of Covid-19 emergency funding

support.

16. Within the overall position, additional costs and lost income due to the pandemic amounted to £13.5m which has been met by emergency funding support (including sales, fees and charges compensation).
17. In the last year the council has also had to implement national support schemes such as the Business Rates Grants Support Schemes; the Council Tax Hardship Support Schemes; Test and Trace Payments; the Covid Local Support Scheme; Infection Control Schemes; and Contain Outbreak Management schemes as well as addressing increased demand for support to vulnerable households whilst accommodating new ways of working in response to the pandemic.
18. Elsewhere, underlying demand-led pressures continue in several areas such as High Needs, Children's Social Care, Temporary accommodation and welfare support. These variances are described in more detail in the narrative below.
19. The appendices attached to this report provide more detail on the in year budget movements, the utilisation of reserves by each department and closing reserve balances (Appendices A, B & C).
20. The overall impact of these transactions will be reported in full within the draft statement of accounts to be signed by the S151 Officer and will also be considered by the Audit, Governance and Standards Committee later this year. These will then be subject to external audit.
21. The following paragraphs outline in more detail the outturn by directorate:

CHILDREN'S AND ADULTS' SERVICES

22. This has been another challenging year for Children's and Adults Services due to the combined effect of the pandemic and general economic uncertainty. Despite these challenges, working in partnership with finance, HR and procurement, the department achieved a favourable variance of £0.4m in the 2021-22 financial year. The key areas of concern include children's social care due to continuing pressures in staffing as well as the emerging Unaccompanied Asylum Seeking Children's (UASC) pressures as well as the unfavourable financial situation within schools attributable to falling pupil roles. While Adult Social Care has experienced favourable variances in recent years, the medium to long term effect of the pandemic as well as changes arising from the planned charging reform and the introduction of fair costs of care creates future financial uncertainty for the sector. The department has ensured there are healthy reserves available to withstand some of the challenges mentioned and continue to practice strict financial management across the areas.

Adult Social Care

23. The adult social care division closed the year with a favourable outturn despite the considerable challenges it faced in the second year of the pandemic. The division has experienced significant Covid 19 related pressures especially in care package expenditure such as homecare, nursing and re-ablement spend. In 2021-22, additional one-off government funding has offset these pressures. In order to ensure sustainability of the provider market the division has provided additional grants to enable infection control measures to be implemented and further supported through 'rapid response' payments.
24. It was anticipated that the post Covid 19 environment may lead to increased demand for services due to longer than usual periods of hospitalisation and delays in seeking medical attention for conditions during lockdown. As well as pressures arising from the aftermath of the pandemic, increasing inflation, changes to the care cap threshold and the introduction of the fair costs of care is also expected to bring additional financial burdens in future years. In order to ensure the division continues to deliver a favourable financial performance, it will need to ensure that strict financial measures continue to be in place. The service has a track record of good financial management in partnership with finance, HR, commissioning and procurement colleagues, this will have to continue in order to ensure financial sustainability in future years.

Children's Social Care

25. The division has faced a number of challenges during the year which led to an adverse outturn. This forecast is an improvement to the previous year's outturn and includes around £1.5m COVID related pressure. The underlying key cost drivers within the division are staffing and placements costs relating to UASC. 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, a rising number of unaccompanied asylum seeking children in the borough is likely to present additional financial pressure especially in the medium and longer term. The service is also 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. 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

26. The Commissioning division has ended the year with an unfavourable variance. This forecast includes underlying staffing pressures, which is

mainly due to the delay in restructuring. The directorate is working on reducing the use of agency staff and establishing a permanent staffing structure that will be able to support the needs of the department.

Education

27. Education services achieved a small favourable variance this financial year. This position was achieved through savings in staffing due to delays in recruitment as well as a one off contribution from the 'All Age Disability' service towards home to school transport costs. As these were one off contributions to the service, 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 home to school transport service remains the key medium to long term driver of financial pressures on the education general fund, especially as Covid 19 has created an additional financial strain on the service due to the application of necessary social distancing measures and the consequent inability to deliver savings targets. The service continues to provide additional support to all schools and has supported children's and families with an enhanced Free School meals offer during school holidays.

Dedicated School Grant

28. The ring-fenced Dedicated Schools Grant (DSG) achieved an unfavourable outturn of £1.1m which is mainly due to the higher than expected demand on the high needs service bringing the accumulated deficit position to £21.7m as at 31st March 2022.
29. The service is working closely with finance, HR and schools to bring back the dedicated school grant to a sustainable footing however, it has been recognised that departmental support is needed to tackle the accumulated deficit position. In order to do this the council has been in correspondence with the Department for Education (DFE) and Education and Skills Funding Agency (ESFA) about the support required. This is a national issue and lobbying continues through both local and national Education and Finance directors' representative bodies.
30. The High Needs block remains the main risk area for the DSG. In order to bring the service to a sustainable footing officers need to continue to pursue savings and efficiencies against the High Needs Block. In particular, through commissioning work focussed on Independent Non-Maintained Special Schools, a focus on establishing economic 16-25 pathways and Alternative Provision. However the achievement of the balanced in year position will be affected by the fluctuations in demand for Education, Health and Care Plans (EHCP's) as this is a highly demand led service area.
31. 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 roles that has been experienced across all London boroughs. Officers from the council work together with schools to right size the school estate through reviewing options around amalgamations, mergers and closures to ensure it matches demand.

ENVIRONMENT AND LEISURE

32. The final 2021-22 outturn for the Environment and Leisure department is an adverse variance of £0.586m.
33. The COVID 19 pandemic situation continues to have an impact on departmental budgets with additional costs and loss of income across the service areas but to a lesser extent than the previous financial year.
34. The financial implications of the COVID 19 pressures has been captured and reported in detail as part of the government returns to the Department for Levelling Up, Housing and Communities (DLUHC) from the council.
35. The total cost of the COVID 19 budget pressure identified in the department amounted to £4.53m with some specific grant of £1.66m allocated to the department resulting in a net COVID budget pressure of £2.87m.
36. The surplus of £6.5m generated on the Low Traffic Neighbourhood (LTN) accounts has been transferred to the LTN reserve to be used in funding schemes to improve access around the borough including healthy streets and with the aim of tackling the climate emergency.
37. The final adverse variance of £0.586m for 2021-22 is expected to be contained by central government COVID 19 grants and council's contingency resources held corporately.
38. The Public Health directorate has been in the forefront in tackling the COVID 19 pandemic at a local level and has received funding from the Contain Management Outbreak Fund (COMP) and other COVID 19 related grants. The final position on the ring fenced Public Health grant was a favourable variance of £1.8m which has been transferred to the Public Health reserve to fund Public Health priorities for future years.

HOUSING AND MODERNISATION

Overview

39. The outturn for 2021-22 shows a negative variance of £7.8m, which is £0.3m lower than forecast at month 8. This reflects the unrelenting cost pressure of homelessness provision and new costs directly attributable to the measures put in place in response to the pandemic, some of which will continue for the foreseeable future. Southwark has played a

key role in supporting residents and businesses during the pandemic, ensuring that the most vulnerable in our community and local economy are protected, which like in the previous financial year has resulted in significant additional cost. Notwithstanding the financial support provided by government, the council will not be able to fully recoup all its costs and income losses. The key budget headlines are set out below.

Resident Services - Temporary Accommodation/ Housing Solutions

40. There is a strong underlying demand pressure in Southwark for temporary accommodation, which has been exacerbated by the pandemic. This is driven by the growing national homelessness crisis, excessive private sector rents and restrictions on Local Housing Allowance (LHA) rates, which means welfare benefits don't cover private sector rental rates.
41. Overall, the outturn position for TA shows an adverse variance of £5.45m, plus a further £0.9m for the housing solutions service. Whilst early forecasts were higher, the rate of growth has stabilised over the second half of the year and the scale of procurement of suitable private sector leased accommodation (in accordance with the council's Good Homes Standard) is below initial expectations, which has fortuitously reduced expenditure in year. Additional one-off grant funding has also assisted in mitigating the position this year.
42. However, the budget position remains a major concern going forward given the continued uncertainty, particularly with the rising cost of living and other global issues such as the conflict in Ukraine and the council has again approved additional budget resources for 2022-23 to meet demand. The council remains fully cognisant of its statutory homeless duties and the need to fulfil these obligations in the most cost effective and sustainable way. To this end, the council has established a Budget Recovery Board (BRB) to review all aspects of temporary accommodation provision, including policy, procurement and service delivery over the coming year.

Exchequer Services - Contact Centre/ SMART

43. The Contact Centre including the Out of Hours (OoH) and SMART services have been subject to severe budget pressure during the year and shows a negative variance of almost £1m. There are a number of reasons for this, primarily, increased activity/demand during the pandemic and the inability to achieve planned restructuring savings and income targets for services provided by the Contact Centre to both external bodies and internal clients as originally envisaged. Furthermore, it has been necessary to increase capacity across the board, particularly in OoH and SMART, to address staffing shortfalls, including Covid outbreaks amongst staff, thereby reducing operational capacity. Lastly, there is the impact of the settlement of backdated allowance claims, which will also have some residual impact in the current year.

Customer Services – Coroners and Mortuary

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 held jury inquests at Tooley Street from June 2021 to February 2022, to ensure social distancing requirements could be maintained, but this has come at additional cost for building adaptations, security and coronial staffing. 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 dependent on the complexity of cases and volumes. Expenditure for 2021-22 was £0.466m over budget (including pandemic related costs totalling £0.115m), which is met proportionally by the consortium members. The Mortuary Service was also £0.037m over budget due to higher costs arising directly from the pandemic.

Customer Services - Technology and Digital Services (TDS)

45. The service has continued to deliver significant operational change, initially in response to the pandemic, which enabled the council to maintain a high degree of service capability through remote working. Particular focus this year has been the on-going migration from data centres to a cloud-computing environment with Azure and developing the Office 365 environment to deliver greater operational efficiency and resilience in the longer term. Overall, expenditure was £0.231m below budget. Specific priorities include projects to deliver the council's data strategy comprising collection, storage and retention, cyber security, predictive analytics and rationalisation/ standardisation of the IT estate to create a more holistic approach to service delivery.

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 has played a critical role in the council's response to the pandemic, making physical adaptations to buildings and providing extra cleaning, security and other operational measures to council buildings at a cost of approximately £1m.
47. Moreover, CFM deliver a planned works programme that generates fee income to support the budget. Whilst the pandemic badly affected programme delivery in 2020-21, this year has seen a strong recovery in delivery and associated fee income, marginally exceeding the budget target. The service also benefited from a net increase in licence fee income of £0.252m under a partnership arrangement for leased workspace at the councils' Queen's Road office complex.

48. Following an abortive exercise during 2021, the service has recently concluded a complicated procurement for hard and soft facilities management services, due to commence in October 2022, that has required additional staffing capacity to resource it, giving rise to a net staffing pressure of £0.223m. Other unavoidable budget pressures include utility costs at £0.140m, along with a number of smaller variances across supplies and services, transport and other property budgets accounting for the balance of the £1.079m outturn variance.

Asset Management - Private Sector Building Safety

49. The private sector building safety team was established during 2021 to undertake inspections and enforcement on private blocks falling within the remit of the building and fire safety bills. An initial staffing structure and budget was established but in the absence of a fully formed view of the scale of the undertaking at that time. It has transpired that more resources have been necessary than budgeted, largely staffing, enforcement and IT costs, which accounts for £0.242m of the reported Asset Management variance.

Central Support Services

50. Budgets held within this activity are of a department-wide nature including corporate recharges and costs that are not specifically attributable to a particular service, for example, financing and depreciation charges. Employee contingency sums held centrally were sufficient to cover the backdated pay award from April 2021 and accrued for in the accounts at service level. Other favourable variances include pension services (taken as a saving for 2022-23) and engineering assessments, giving rise to an exceptional net underspend of approximately £0.6m.

CHIEF EXECUTIVES DEPARTMENT

51. The final 2021-22 outturn for the Chief Executive Department is an adverse variance of £1.83m
52. The COVID 19 pandemic situation continues to have an impact on departmental budgets with additional costs and loss of income across the service areas but to a lesser extent than the previous financial year.
53. The financial implications of the COVID 19 pressures has been captured and reported in detail as part of the government returns to DLUHC from the council.
54. The total cost of the COVID 19 budget pressure identified in the department amounted to £0.752m and once this is adjusted against the above variance of £1.830m, the department reflects a revised adverse variance of £1.078m excluding COVID budget pressures. This largely relates to staffing pressures in Employee Experience and a reduction in

income in the planning & growth division, primarily linked to the pandemic.

55. The adverse variance of £1.830m is expected to be contained by central government COVID 19 grants and council's contingency resources held corporately.

FINANCE AND GOVERNANCE

56. The Finance and Governance department, including Benefits and Subsidy and Pensions Administration is reporting a favourable variance of £0.193m.
57. During 2021-22 the Exchequer Services has continued to administer an exceptional number of pandemic related grant funding schemes and business rate reliefs for local businesses. These have included Business Support Grants, Local Restrictions Support Grant (LRSG) in addition to business rate reliefs for Retail, Hospitality and Leisure Sector and Nurseries. There has also been a significant additional administrative burden on the team with respect to the increasing number of welfare claimants and impact on council tax support (LCTS), Southwark Emergency Support Scheme (SESS) and hardship funds.
58. Elsewhere within the department (and after excluding pressures attributable to the pandemic), a favourable variance was reported in Professional Finance Services, predominantly due to vacancies and an adverse variance was reported in Law and Governance linked to reduced billable income impacted by Covid related demand suppression.

Strategic Finance

59. Strategic Finance is reporting an adverse variance of £3.85m. Strategic Finance includes a number of budgets that are not allocated directly to departments and which are managed centrally. These include treasury management, insurance, corporate provisions, levies and a number of technical accounting budgets, such as the reversal of depreciation, that do not impact on the net budget requirement or level of council tax that the council sets each year.

Contingency

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

HOUSING REVENUE ACCOUNT (HRA) OUTTURN 2021-22
Table 2: HRA Outturn 2021-22

	Full Year Budget 2021-22	Outturn 2021-22	Variance to Budget 2021-22
	£000	£000	£000
Asset Management	57,403	59,600	2,197
New Build	400	965	565
Communities HRA	9,145	11,083	1,938
Resident Services	42,724	47,894	5,170
Directorate	1,803	1,940	137
Customer Services	7,483	8,116	633
Central Services	29,398	29,850	452
Debt Financing	30,105	23,210	-6,895
Depreciation	53,000	51,546	-1,454
Exchequer Services	9,032	8,103	-929
Tenant's Rents & Service Charges	-226,252	-223,910	2,342
Homeowner Service Charges	-33,911	-30,782	3,129
Revenue Contribution to Capital	19,670	14,602	-5,068
Appropriations to /(from) Reserves	0	-2,217	-2,217
Total HRA	0	0	0

61. Revenue monitoring reports to Cabinet during the year have made reference to uncertainty around the extent of unavoidable cost pressures and new commitments arising in the management and maintenance of the council's housing stock, including pandemic related exceptional costs. Whilst there has been some volatility and variation across the HRA, the final outturn shows modest improvement over the month 8 forecast. However, this has required the drawdown of £2.2m of earmarked reserves in addition to the mitigation measures outlined previously, i.e. a reduction in the revenue contribution to fund capital to match the lower major works billing, along with planned changes in financing and depreciation charges to ensure a balanced position at year-end. Cabinet are reminded that scope within the HRA to manage ever increasing resource demands has and continues to diminish and cannot be sustained indefinitely. The new requirements arising from the Building Safety and Fire Safety Acts will only serve to exacerbate the pressure on both revenue and capital resources. The key headlines and issues for 2021-22 are outlined below.
62. The repair, maintenance and renewal of the housing stock consume by far the greatest proportion of revenue resources (circa £111m including depreciation during 2021-22). Budgets are under constant pressure, notwithstanding the substantial capital investment that has and

continues to be made in the stock. There are a number of budget variances across the Asset Management division giving rise to a net overspend of £2.2m. A significant contributory factor remains the cost of works delivered in-house, comprising day to day repairs and maintenance, voids and communal works. As previously reported, costs are significantly higher and performance lower than predicated in the original business model. Implementation of the repairs improvement plan and 'right sizing' the service is crucial to increasing operational efficiency/productivity, controlling costs and achieving the higher service standards and value for money that residents expect and deserve.

63. Another area of concern is the district heat network which supplies around 17,000 homes. Ageing infrastructure is becoming increasingly problematic, causing frequent outages and requiring the use of temporary boilers at additional cost to maintain service. This also adds pressure on the heating account reserve position which is held to mitigate price and volume volatility over time. Coupled with the council's commitment to carbon reduction across the housing stock, the scale of investment required in the heat network cannot be met from revenue resources alone, but requires significant capital investment over a sustained period. In addition, 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 resulting in a significant budget variance.
64. By way of in-year mitigation, eligible works expenditure has been capitalised (where it complies with capital accounting criteria), in order to relieve the revenue pressure. However, this is not a long-term solution as it simply shifts the burden to the capital programme which is massively under resourced and requires review and prioritisation of the council's investment needs over an extended timeframe to ensure on-going affordability. A long-standing business plan objective has been to support the capital programme through revenue contributions and whilst this has been maintained and often exceeded in the past, it has become increasingly difficult to do so and cannot realistically be sustained going forward.
65. Rental and other income streams are of paramount importance for the viability of the HRA and service provision. Rent debit, void loss and collection rates are key financial performance indicators which show variation from the budget baseline. Overall, there is a shortfall in year of around £2.3m against the budgeted debit. This is principally due to delays arising from the pandemic in bringing new build stock on stream as programmed and longer void turnaround times which have adversely affected lettings and hence the debit raised. Rent collection performance during the previous year (2020-21) was inevitably impacted by the pandemic leading to higher arrears and bad debt provision. Given the continuing uncertainty, this posed the risk that it could continue into 2021-22, but on a positive note, collection has shown steady improvement over the year and is above 99%. Looking forward, it

remains to be seen what the impact of the current cost of living crisis will be on resident's ability to pay their rent and service charges and the arrears position. For reference, the HRA maintains a prudent level of provision specifically to meet collection losses/write-offs.

66. Homeowner service charges represent the second largest income stream to the HRA reflecting the proportionate costs associated with managing and maintaining properties sold under the 'Right to Buy'. A revenue charge covers general day to day operating and repairing responsibilities, whereas the capital charge covers major works. They represent actual costs incurred by the council and are fully rechargeable under the terms of the lease in order to prevent cross-subsidy from tenants. The nature and profile of the major works programme means expenditure will fluctuate year on year which correlates with the level of major works billing that can be legitimately raised in year. With the shutdown of major works projects due to the pandemic during 2020-21, the effect of that materialises in the following year's billing run (i.e. 2021-22), which is circa £3.8m lower than budget. Miscellaneous fee income is also down by circa £0.4m reflecting lower homeowner activity, offset by higher revenue service charge income of circa £1.3m following the actualisation of the prior years' accounts.
67. Central Support Services comprises non-operational service budgets such as departmental and corporate overheads, arrears/ bad debt provisions, depreciation/ revenue support for the capital programme and debt financing. With regard to the latter, unlike the general fund, there is no requirement to make a minimum revenue provision (MRP), which has fortuitously provided the necessary budget flexibility to mitigate exceptional and inherent budget pressures elsewhere across the account. This has been particularly important over the last few years, as the council has successfully navigated the water refunds issue, the government enforced rent reduction policy and other significant budget pressures without any discernible impact in service provision.
68. In 2021-22, the council needed to borrow £89.4m to fund the housing investment programme and this requirement will increase significantly over the medium-term to meet the critical investment needs of the housing stock, including building and fire safety works, the heat network, carbon reduction and the new homes programme. Therefore, what budget flexibility currently exists will be quickly eroded and necessitate a more sustainable approach to service spending to offset the higher financing costs, which are unavoidable and represent a fixed cost and first call on revenue resources. For reference, borrowing remains subject to the provisions of the Local Government Act 2003 which requires authorities to have due regard to the CIPFA's 'Prudential Code', when determining how much it can prudently afford to borrow.
69. In the same way as the council's general fund, the HRA holds reserves for specific purposes and as contingency against operational deficits, unforeseen events and to mitigate future risks in line with the council's

fairer future medium-term financial strategy (FFMTFS). In the context of the size of the council's HRA and HIP with combined annual turnover of circa £500m+, reserves remain below what is considered the optimal level and it has been necessary to drawdown £2.2m during the year to balance the operating account, leaving £26.1m as at 31 March 2022. The challenge as ever remains to build a more prudent and sustainable level of reserves going forward.

Collection fund

70. The Collection Fund represents the accumulated surplus or deficit for business rates and council tax. Both taxation schemes are designed to be self balancing; an estimate of any accumulated surplus or deficit is made each year and factored into the following year's tax requirement. Any difference between estimated and actual outturn will be received or borne by taxpayers in the following year.
71. Monies received into the Collection Fund are distributed between the council and its preceptors based on their respective shares. Whilst the Collection Fund is a single entity, for reporting purposes it is split between Council Tax and Business Rates.
72. These accounting arrangements have had an exceptional outcome in 2020-21 and 2021-22 due to the circumstances relating to the pandemic. The financial downturn has caused collection rates to be substantially lower than those that were predicted. In addition, after the estimated receipts for 2020-21 were fixed, the Government introduced emergency rate reliefs for particular business sectors. In the cases of both reduced collection rates and emergency rate reliefs, the Government has implemented grant schemes to compensate authorities for the lost income.
73. Regulations require any deficit accumulated in 2020-21 to be spread over three years. In 2021-22, the in-year surplus on the NNDR account reduces the overall deficit from £144.5m to £107.2m. The deficit, after taking into account additional Section 31 grant, will be further spread across 2022-23 and 2023-24. Under the governments Tax Income Guarantee (TIG) methodology, the council has also received additional funds to further mitigate the deficit.
74. The in-year deficit on the Council Tax collection fund for 2021-22 is £3m with the councils share being £2.3m. Again, government funding is being used both to smooth the impact of this across multiple years.

Earmarked Reserves

75. The council retains a level of earmarked reserves which are reported each year within the annual statement of accounts. These reserves are maintained to fund:

- invest to save opportunities, which form part of the modernisation agenda and are expected to deliver future ongoing revenue savings;
- investment in regeneration and development where spend may be subject to unpredictable market and other factors;
- exceptional items or pressures which are difficult to predict and which are not included in revenue budgets or within the capital programme.

76. The outturn position on earmarked reserves remains abnormal due to the carry forward into 2021-22 of £54m of specific COVID-19 funding set aside to meet costs to be defrayed in 2021-22 and in future years. Whilst the remaining Covid reserves at the end of 2021-22 are much reduced (in line with reducing pressures), some residual amounts remain to offset a limited number of ongoing activities.

Table 3: Covid-19 Reserves

	Opening Balance £'000	Movement £'000	Closing Balance £'000
Covid-19 reserves	53,425	-27,553	25,872

77. Included within these resources are:

- £22.6m of specific COVID-19 funding relating to council tax and business rates that must be set aside to meet costs that will be defrayed in 2021-22 and future years. These resources are not available to support the provision of services;
- £2.2m of the Contain Outbreak Management Fund (COMF) for ongoing preventative work.
- £1.1m for measures to support recovery including £0.5m for town centres and high streets and £0.6m for supporting those classified as Clinically Extremely Vulnerable.

78. As indicated in the table below, the net movement on reserves is an increase of £3.6m.

Table 4: Summary of Earmarked Reserves

	Opening Balance £'000	Movement £'000	Closing Balance £'000
Corporate projects and priorities	15,514	3,362	18,876
Service improvements and reviews	24,218	10,336	34,554
Capital programme reserves	28,403	8,320	36,723
Strategic Financial Risk Reserves	61,824	3,773	65,597
Technical and smoothing reserves (incl. C19 reserves)	74,654	-22,164	52,490
Total earmarked reserves	204,613	3,627	208,240

79. For a number of years previously the council had planned for the use of reserves to help smooth the impact of government funding reductions and other budget pressures, especially during the period of austerity. Not only did this help to protect council services but it has also allowed time to transition towards new ways of working, productivity improvements and efficiencies. There were no budgeted contributions from reserves in 2020-21, however £5m was earmarked to meet the budgeted contribution in 2021-22 and a further £2.5m to help mitigate the forecast deficit in 2022-23.

80. In addition, resources have been earmarked to mitigate and manage anticipated funding shocks arising from funding reforms, and, in particular the planned business rate reset. These reserves would be needed to ensure a smooth transition over the forthcoming medium term financial planning period.

81. Other notable sums that have been earmarked during 2021-22 include:

- Replenishing the Southwark Emergency Support Scheme (£4m) and the Food Poverty reserve (£0.294m)
- £4m to mitigate post-Covid social care demand
- £2.4m for one-off implementation costs associated with insourcing the Council's Leisure service
- Amounts to mitigate the impact of economic distress including fuel Inflation across the council estate (£1.5m) and contractual risks (£1m).

82. The total movement in earmarked reserves are detailed in Appendix B.

General Fund Balance

83. Unallocated reserves are a key indicator of an authority's ability to cope with financial shocks. The CIPFA Financial Resilience Index places significant emphasis on this as an indicator of 'high risk'. Building

financial resilience is imperative as we navigate our path to recovery and ensure that the council is well placed to meet future financial challenges.

84. The balance on the General Fund has been increased by £1.4m to £22.4m in closing the 2021-22 accounts, in line with the policy to maintain a minimum balance equivalent to 2.5% of gross revenue expenditure.

Treasury management

85. As at 31 March 2022 the outstanding debt held by the council was £896m (£886m as at 31 March 2020), an in year increase of £10m.
86. The council's debt management strategy since 2011-12 has been to pursue a policy of internal borrowing, which is the use of existing reserves and balances to temporarily fund capital expenditure rather than the use of external borrowing. By doing so, the council has been able to minimise net borrowing costs (despite foregone investment income) and reduce overall treasury risk. However, since 2017-18, it has also been necessary to undertake new external borrowing in order to maintain target cash balances and support the council's ambitious and accelerating house building programme. Council officers are reviewing the strategy in light of current macro-economic conditions and will provide a full update via the treasury update report to Council Assembly in November 2022. It is likely that significant additional sums of long-term borrowing will need to be taken in the near future in order to finance the capital programme and protect the council from interest rate and re-financing risks.
87. In accordance with the approved treasury management strategy, the council borrowed £50m from the Public Works Loans Board (part of HM Treasury) during 2021-22, with maturity terms ranging from 39 to 41 years at an average interest rate of 1.6%.
88. At 31 March 2022 the council had short term loans from other local authorities of £175m. Local authority to local authority lending is common practice for short term lending since interest rates remain cheaper than those offered by the PWLB and lenders like the security of investing 'within the local authority sector'.
89. The council maintains sizable investment balances, representing income received in advance of expenditure plus balances and reserves held. Investments as at 31 March 2022 were £161m (£219m at 31 March 2021). The drop in balances relative to the prior year is largely linked to the substantial Covid 19 grants received in advance and subsequently used or repaid as required by the grant conditions during the 2021-22 year.
90. Council resources that are not immediately required for current expenditure are invested in money market instruments in accordance

with the DLUHC Guidance on Local Authority Investments and the approved investment strategy. The DLUHC guidance gives priority to security and liquidity and the council's aim is to achieve a yield commensurate with these principles.

91. The rate of return for council treasury management assets for the 2021-22 financial year was -0.05%. This is reflective of the low-rate environment that prevailed for most of 2021-22 and the swift and severe decline in financial markets in Q4. In line with the treasury management strategy, the council benchmarks its fund managers to measure and manage performance. Whilst fund manager return for 2021-22 was -0.12%, this is better than the relevant index which saw performance of -0.51% over the same period.
92. 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 DLUHC.

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

93. 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

94. There are no climate change implications arising directly from this report, which provides an update on the revenue outturn for 2021-22.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Policy and Resources Strategy 2021-22 – revenue budget: Council Assembly 24 February 2021.	160 Tooley Street PO Box 64529 London SE1P 5LX	Tim Jones 020 7525 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 January 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 A	Interdepartmental budget movements to be approved for month 4 onwards
Appendix B	Analysis of Reserve Movements by Department
Appendix C	Earmarked Reserves at 31 March 2022

AUDIT TRAIL

Cabinet member	Councillor Stephanie Cryan, Finance, Democracy and Digital	
Lead officer	Duncan Whitfield, Strategic Director of Finance and Governance	
Report author	Tim Jones, Departmental Finance Manager	
Version	Final	
Dated	5 July 2022	
Key Decision?	Yes	
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	N/a	N/a
Cabinet Member	Yes	Yes
Date final report sent to constitutional team		5 July 2022

Appendix A - Interdepartmental Budget Movements 2021-22

Interdepartmental movements to be approved for 2021-22

Department From	Amount £	Department to	Amount £	Description of the budget movement
Strategic Finance	2,742,240	Children and Adults	(2,742,240)	Transfer Universal Infant School Meals grant income budget to department
Housing and Modernisation	(1,309,300)	Chief Executive's	1,309,300	Transfer of Organisational Transformation budgets
Strategic Finance	(250,000)	Finance and Governance	250,000	Support for departmental budget
Support Costs	(322,000)	Environment and Leisure	322,000	Transfer budgets to cover end of car leasing scheme
Support Costs	(687,197)	Children and Adults	351,289	Support Cost Reallocations
		Housing and Modernisation	(27,049)	
		Environment and Leisure	113,905	
		Chief Executive's	139,054	
		Finance and Governance	(85,719)	
		Strategic Finance	195,717	
Strategic Finance	(2,669,789)	Children and Adults	1,197,882	Depreciation
		Housing and Modernisation	452,438	
		Environment and Leisure	1,096,507	
		Chief Executive's	(77,038)	
Strategic Finance	(403,245)	Environment and Leisure	403,245	Flood Grant
Strategic Finance	1,480,501	Children and Adults	(1,480,501)	Transfer schools appropriations budget to department

Interdepartmental movements to be noted for 2021-22

Department From	Amount £	Department to	Amount £	Description of the budget movement
Strategic Finance	(20,592)	Environment and Leisure	20,592	Replacement of atrium glass at The Castle
Strategic Finance	30,000	Chief Executive's	(30,000)	Transfer income budget for 760 Old Kent Road rent
Strategic Finance	(180,000)	Chief Executive's	180,000	Support Strategy and Change team
Strategic Finance	(200,000)	Finance and Governance	200,000	Support Law and Governance salary budget
Strategic Finance	(128,698)	Housing and Modernisation	128,698	Equalise NNDR budgets and charges on corporate buildings
Strategic Finance	(27,746)	Environment and Leisure	27,746	Transfer budget for tree pruning to department
Children and Adults	(72,411)	Strategic Finance	72,411	Revenue Contribution to Capital

Movements to and from reserves in 2021-22

APPENDIX B

Department	Total added to reserves £000	Total taken from reserves £000	Net Movement £000
Children's and Adults' Services (Core)	(8,266)	1,441	(6,825)
DSG funded services	-	-	-
Environment and Leisure	(6,477)	1,309	(5,168)
Housing and Modernise	(999)	52	(947)
Public Health	(1,878)	963	(915)
Chief Executive's Department	-	4,477	4,477
Finance and Governance (excluding Corporate)	(140)	355	215
Minimum Revenue Provision	-	-	-
Insurance	(399)	-	(399)
Technical Corporate Budgets	-	35,974	35,974
Other Corporate Budgets	(36,033)	5,834	(30,199)
Capital	-	160	160
Total	(54,192)	50,565	(3,627)

EARMARKED RESERVES

COVID-19	Balances as	Net movement	Balances as
	at 31 March		at 31 March
	2021		2022
	£000	£000	£000
Covid-19 business rates retail relief section 31 grant	25,903	(10,926)	14,977
Covid-19 council tax and NNDR collection fund deficit	16,459	(8,800)	7,659
Covid-19 contain outbreak management fund	2,815	(757)	2,058
Covid-19 clinically extremely vulnerable	-	678	678
Covid-19 town centre and high street reserve	500	-	500
Covid-19 additional restrictions grant	4,148	(4,148)	-
Covid-19 welfare reform	2,200	(2,200)	-
Covid-19 recovery and renewal	500	(500)	-
Covid-19 tackling health inequalities	500	(500)	-
Covid-19 statutory service reserve	400	(400)	-
Total	53,425	(27,553)	25,872

CORPORATE PROJECTS AND PRIORITIES	Balances as	Net movement	Balances as
	at 31 March		at 31 March
	2021		2022
	£000	£000	£000
Southwark emergency support scheme	3,040	4,070	7,110
Modernisation, service and operational improvement	2,199	-	2,199
Southwark scholarship scheme	2,156	(158)	1,998
Southwark pioneers fund	1,950	-	1,950
Climate change emergency projects	1,787	(402)	1,385
Food poverty	500	295	795
London devolution reserve	736	-	736
Neighbourhood fund	499	104	603
Voluntary sector small grant support scheme	391	-	391
Data strategy	343	-	343
Internal audit and anti-fraud plan	300	-	300
Anti fraud projects	250	-	250
Positive futures fund	310	(81)	229
Southwark stands together	300	(118)	182
Artefacts replacement and security	117	64	181
Community engagement and links development	118	-	118
Community hub – voluntary sector support	100	-	100
Laptops for Southwark schoolchildren	87	(81)	6
Community safety schemes	106	(106)	-
Youth review	100	(100)	-
HB reforms funding	77	(77)	-
Revenue grants	41	(41)	-
ASB resident grant	7	(7)	-
Total	15,514	3,362	18,876

CAPITAL PROGRAMME AND OTHER CAPITAL INVESTMENT	Balances as	Net movement	Balances as
	at 31 March		at 31 March
	2021		2022
	£000	£000	£000
Highways and parking climate emergency projects	1,852	5,846	7,698
Aylesbury development	6,000	-	6,000
Regeneration and development	4,488	800	5,288
Planned preventative maintenance and building compliance	3,356	732	4,088
Information technology and customer services development	2,195	-	2,195
Modernisation, service and operational improvement	1,356	800	2,156
Building schools for the future private finance initiative transition	1,623	-	1,623
Schools' capital programme contribution	1,293	-	1,293
Capital contingency	1,203	84	1,287
Highways winter maintenance	576	674	1,250
Cycling safety	1,000	-	1,000
Digital innovation fund	608	200	808
Law and Democracy business change management	596	-	596
Public realm	500	-	500
Recycling fund	477	-	477
Canada Water regeneration	214	-	214
Gym and fitness facilities	150	-	150
Black cultural centre	100	-	100
Anchor properties	732	(732)	-
Parking capital reserve	84	(84)	-
Total	28,403	8,320	36,723

SERVICE REVIEWS AND IMPROVEMENTS	Balances as	Net movement	Balances as
	at 31 March		at 31 March
	2021		2022
	£000	£000	£000
Adult social care resilience plan	9,339	91	9,430
Post-Covid social care demand	-	4,099	4,099
Rough sleeping initiative	1,567	895	2,462
Leisure services insourcing	-	2,400	2,400
Children and Adults transformation	1,444	918	2,362
Public health	132	1,878	2,010
HR strategy review plan	44	1,950	1,994
Adult social care residential homes	1,500	-	1,500
HR service transformation	1,300	-	1,300
Health and wellbeing commitment to mental health	1,424	(451)	973
Temporary accommodation strategy	915	-	915
Leisure mobilisation	-	800	800
Local flood risk	680	48	728
New homes bonus GLA funded programme	914	(193)	721
Local economy	672	(51)	621
Environment and Leisure change programme	594	(222)	372
Troubled families	496	(212)	284
Workforce and member development	203	68	271
Schools improvement traded service	200	-	200
Highways transformation	746	(551)	195

Youth service review	70	100	170
Adults' services workforce development	157	-	157
Blackfriars trust allocation	138	-	138
Southwark renters union	100	-	100
Youth parliament	100	-	100
Prevention of illegal tobacco distribution	91	-	91
Adopt London south hosting reserve	250	(160)	90
Special educational needs and disability internships coordination	57	-	57
Local education authority music service	14	-	14
Libraries and heritage strategy	864	(864)	-
Special educational needs and disability transformation fund	110	(110)	-
Member development	97	(97)	-
Total	24,218	10,336	34,554

TECHNICAL LIABILITIES AND SMOOTHING			
	Balances as at 31 March 2021 £000	Net movement £000	Balances as at 31 March 2022 £000
Insurance reserve	7,600	399	7,999
Interest and debt equalisation	3,500	2,000	5,500
Council tax and housing benefits subsidy equalisation	3,000	124	3,124
Waste PFI equalisation	2,921	-	2,921
Schools de-delegated balances	1,811	1,081	2,892
Contractual risk	450	2,000	2,450
Universal Credit implementation	964	-	964
Election reserve	983	(215)	768
Total	21,229	5,389	26,618

STRATEGIC FINANCIAL RISK			
	Balances as at 31 March 2021 £000	Net movement £000	Balances as at 31 March 2022 £000
Financial risk and future liabilities	13,193	2,700	15,893
Business rate retention risk	14,514	(1,270)	13,244
Fair funding review and levelling up	-	7,680	7,680
Spending review risk	20,917	(13,837)	7,080
Economic risk	5,000	1,157	6,157
Planned contribution to support general fund 2024-25	-	5,000	5,000
Pension liability risk	2,500	184	2,684
Planned contribution to support general fund 2022-23	2,500	-	2,500
Leaving European Union risk	2,300	159	2,459
Fuel inflation across council estate	-	2,000	2,000
Schools in financial difficulties and school closures	900	-	900
Total	61,824	3,773	65,597
Total	204,613	3,627	208,240

Item No. 15.	Classification: Open	Date: 18 July 2022	Meeting Name: Cabinet
Report title:		Policy and Resources Strategy: capital monitoring report outturn 2021-22	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Stephanie Cryan, Finance, Democracy and Digital	

FOREWORD – COUNCILLOR STEPHANIE CRYAN, CABINET MEMBER FOR FINANCE, DEMOCRACY AND DIGITAL

As always, we remain committed to an ambitious capital programme strategy. Our capital programme delivers real and tangible benefits for our residents and despite ongoing financial pressures, we continue to invest in this delivery.

Projects to help tackle the Climate Emergency and to meet our commitment to be net carbon neutral by 2030 are at forefront of the capital programme, with a £25m capital fund for individual projects. We have already committed just under £14m to projects, which are detailed in this report.

Other projects include building new council homes. By May this year, we had completed or were on site with 2,519 new council homes. We have a commitment to deliver another 1,000 council homes and 500 key worker homes by 2026.

We have also committed to improving air quality, increasing the number of cycle hangers, as well as funding improvements in care home settings, children’s homes, parks and leisure centres.

However funding is a significant issue. 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. Shortfall in capital resources will mean that financing will be from borrowing, which will have accompanying debt charges, which will add to revenue costs. A funding requirement of £326m is needed to fully deliver the capital programme across the General Fund and there will be a borrowing requirement of £1.2bn for the housing investment programme. The scale of funding for the housing investment programme is unprecedented with a forecast total expenditure of £2.3bn over the period 2021-22 to 2030-31.

Despite these significant pressures we remain committed to a programme that will help deliver a fairer, greener, safer borough.

RECOMMENDATIONS

That cabinet:

1. Notes the 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 and the new capital bids contained within this report and summarised at Appendix E;
3. Notes the significant funding requirement of £326m 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 £1.1bn for future years for the housing investment programme to be fully delivered over the remaining term of the programme, as detailed in Appendix B.
5. Note the significant contribution the capital programme is making towards the objectives of the council's climate change strategy (see paragraphs. 17-18, 85, 117, 119).

BACKGROUND INFORMATION

6. On 1 February 2022, the 2021-22 Month 8 Capital Monitoring report was presented to Cabinet. This reported programmed general fund expenditure of £495m over the 10 year programme and an in-year forecast of £107m against programmed spend of £142m. The Housing Investment Programme stood at £2.2bn with an in-year forecast of £252m against programmed spend of £348m.
7. The estimated borrowing requirement amounted to £305m on the General Fund and £1bn on the Housing Investment Programme.
8. 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.
9. 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 Community Infrastructure Levy (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.

10. The council's constitution requires council assembly to agree the capital strategy and programme at least once every four years, ensuring effective financial control and the achievement of value for money, within the provisions of financial standing orders. On 24 February 2021, the council assembly noted the refreshed 10 year general fund capital programme and housing investment programme (HIP) for the period to 2021-31. 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 outturn 2021-22

11. The capital programme is detailed within the report and appendices as follows:
 - Appendix A sets 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;
 - Appendix E provides a summary of the new capital bids.

General Fund

12. Attached at Appendix A is a summary of the general fund capital programme position as at outturn 2021-22. The total programmed expenditure over the period 2021-22 to 2030-31 is £531m. Total expenditure in 2021-22 was £97m against a programmed spend of £109m.
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 100) provide further details.

Housing Investment Programme

15. The housing investment programme is forecasting total expenditure of

£2.3bn over the period 2021-22 to 2030-31. Total expenditure in 2021-22 was £211m against a programmed spend of £251m.

16. A breakdown of the schemes and budgets within the housing investment programme is included in Appendix B. Further narrative is provided at paragraphs 101-117.

Climate change implications

17. This report provides an update on the council's capital programme as a whole. 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.
18. The capital budget strengthens the council's commitment to tackling the impact of climate change. As well as creating a £25m capital fund, the council has made significant progress across the individual capital programme projects to achieve energy efficiencies and reduce carbon emissions. For example, projects are ongoing to install roof top solar panels, improving glazing and insulation and replacement of gas fired boilers with a focus on decarbonising community buildings, schools and social housing. Over 40% of lighting has been upgraded to more energy efficient lighting in shopping areas, school streets and areas of high footfall and residential roads. Further investment is planned to upgrade 100% of the borough's highway lights to LED efficient lighting. Paragraph 85 provides further detail on projects currently funded from the £25m fund.

Resourcing the 2021-22 programme and onwards

19. 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.
20. 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.
21. 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.
22. 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.

23. 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.
24. The make up of the capital programme is significantly influenced by the scale of resource availability from grants, s106, 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.
25. In the current ten year programme included within this report, there is a forecast shortfall of available funds of £326m to meet the planned general fund capital commitments and a borrowing requirement of £1.1bn to fund the ambitious housing investment programme.
26. 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.
27. In developing and managing its capital programme the council has to maintain clear control of 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

28. The sections below provide commentary on the outturn position by department for 2021-22.

CHIEF EXECUTIVE'S DEPARTMENT

29. The total value of the capital programme for the department for the period 2021-22 to 2030-31 is £188.5m. The projected 2021-22 outturn is £48.5m against the budget of £42.2m and the budgets for future years will be reprofiled accordingly.

Regeneration Division

30. The regeneration division (comprising of four project areas namely Regeneration North, Regeneration South, Regeneration Capital Works & Development and Property Services) have a combined budget of £152.4m with expenditure incurred to the end of March 2022 amounting to £41.4m.

Walworth Road Town Hall

31. General Projects have appointed Conamar as the main contractor for the works. Conamar took possession of the site in early April and early works including the hoarding of the site are now underway. Practical completion of the scheme is expected towards the end of 2024.
32. The process to recruit the chair and membership of the management body for the community space has been concluded. The management body has started to meet and is beginning work on the process to identify an operator to run the space on a sustainable financial basis.

Canada Water Leisure Centre

33. As previously reported British Land have appointed Mace as the main contractor for the project. The scheme is on site and it is anticipated that the new leisure centre will be handed over to the council in the 3rd quarter of 2024/25. A specialist external advisor is being appointed to act as project coordinator to advise the council on detailed design and building services issues.

Elephant and Castle Open Spaces

34. Victory Community Park – Following feedback from consultees the current designs are now under review with ward councillors and Friends of Victory Park. The programme will then be updated but it is likely an application will be submitted by the end of July. Therefore, the commencement of the construction programme is expected to start in early 2023.
35. Nursery Row Park - Improvements to entrances and play area. Design consultant appointed. Public consultation expected to start in summer 2022.

Voluntary Sector Strategy

36. Voluntary Sector Strategy entails necessary works to Voluntary & Community Sector buildings, and in particular the refurbishment of Sojourner Truth Centre, which is underway and to be completed in July 2022. Additional projects have been identified where the buildings are in poor condition and the council will need to invest if it wants to bring them back into use. These are being appraised, for example, 12a Asylum Road,

the former Wells Way library and baths building. Complimentary funding may be available from the Heritage Lottery Fund and Carbon Offset Fund. 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

37. Pullens Yards Improvements is an ongoing project to achieve fire safety compliance in old workshop premises, integral with tenanted and leasehold residential premises. The project is underway on a unit by unit basis, with all initial funds committed. To achieve full compliance, a budget has now been approved for a programme of works to 23 more units within the Pullens Yards estate, consisting of effective fire compartmentation plus ancillary works, over the three years through to 2024.

Void Shops

38. To ensure that vacant shops and premises are re-let, the council wishes to meet the necessary minimum statutory compliance (fire, gas, asbestos, legionella, etc.), safety and environmental performance standards. We expect to see more commercial premises becoming vacant in the current economic climate and as rent recovery action resumes, post-covid. We expect in the region of 30 additional units to become available each year. In addition we need to ensure minimum environmental standards (Minimum Energy Efficiency Standards / Environmental Performance Certification) are met across the commercial portfolio if the grant of leases is to remain lawful. By April 2023 all premises will need an EPC of E or higher to do so.

South Dock Marina - Essential Works

39. On 1 February 2022 investment of £3m was approved from the councils capital programme to deliver essential works to the boatyard and improvements to the marina to form the first phase of the works. The health and safety works comprises of:
- Demolition of the existing facilities block and replace with a pre-fabricated toilet and shower block and placed in a more suitable / safe access position;
 - Reposition the containers currently on site and create staircases / walkaways which are compliant with building regulations and fire safety;
 - Upgrade of the electrics to both the boatyard and marina to cope with the electrical demand on site;
 - Enhance the ground (identified in the structural report) so it can take the structural load required of the boatyard.

40. In March 2022 the contract to deliver architect services of RIBA stages 2-6 in respect of these works was awarded to Cottrell and Vermeulen through LHC Architect Design Services Framework ADS1.1.

Strategic investment property acquisition

41. The strategic investment properties the council has acquired over the last few years have proved to be resilient throughout the pandemic. In 2021-22, rent collections were at 98% and income budget targets were exceeded. However, the post pandemic period has provided office occupiers the opportunity to seek out the best quality buildings, in turn to attract the best talent and to help realise their ESG objectives. Whilst the council's acquisitions fare relatively well in this respect, we foresee investment demands arising in the coming years, if we are to continue to be competitive in the lettings market.
42. Some of the investment acquisitions have a strategic aspect so over the medium term we will see incomes fluctuate as income generating assets are released for development, the trade-off being asset creation including the possibility of new income streams.

Transport Division

43. The transport planning budget of £3.2m is largely funded by Transport for London (TfL) to deliver transport improvement programmes as contained within the borough's movement plan.

TfL Funded Works

44. TfL funded projects have been completed at year end in line with forecast, full spend has been achieved across all lines with no variance between budget and actual.
45. The Rotherhithe to Peckham Cycle Connection design work for 2021-22 financial year has been completed.
46. Works for cycle hire expansion are currently pending planning approval. They are programmed for 2022-23 with the full remaining spend of £0.905m anticipated.

Elephant and Castle Roundabout Project

47. The capital programme also includes the remaining s106/CIL contribution of £32.7m (part of the total £63m) agreed by the council towards the construction of the new Northern Line station. The developer of the former shopping centre site has now started work on the construction of the station box. The works also safeguard additional space for the Bakerloo Line Extension which would ensure full step free integration with the Northern

Line. The new station will have escalators replacing the existing lifts which become overcrowded at peak times.

CHILDREN'S AND ADULTS' SERVICES

48. The total value of the departmental capital programme for the 10 year period from 2021-22 to 2030-31 is £116.3m. The final outturn for the 2021-22 financial year is £18.7m.

Adult Social Care

49. The capital programme budget for the period 2021-22 to 2030-31 is £31.4m, the main projects being; £15.4m in respect of a programme of improvements to existing care settings, £9.7m for the provision of an additional bed-based care facility and £5.4m for an essential lifecycle capital programme for four residential care homes.
50. The activity on the programmed life cycle work has been considerably affected by the pandemic. This resulted in delays in the planned work on a number of sites. These delays have resulted in additional spend of £0.35m, (which is an improvement of £0.24m from forecasts at the beginning of the year). The 2021-22 expenditure mainly related to redecoration and refurbishment of Alma Grove and Therapia Road. Work on Mount Adon Park was delayed until 2022-23.
51. The lifecycle work on residential homes has resumed after the pandemic and resulted in an outturn of £1.05m in line with expectations. The majority of this was spent on the replacement of the pipework and boilers in Rose Court as well as the completion of the refurbishment of Waterside. The programme has agreed work going forward to ensure the sustainability of the homes including the ongoing refurbishment and redecoration of the rooms within the homes. The agreed work programme is expected to finish in 2022-23 therefore, a review of lifecycle programme is currently in progress for the next two years 2023-24 onwards.
52. The Adult Social Care Capital Board has identified a number of priorities for 2022-23 and beyond to meet the current and future needs of vulnerable adults in the borough. Contributions have been made to the Changing Places Toilets project, and the adult social care community/day centre space next financial year, as this will require fitting out with a fully equipped kitchen and disabled toilets.
53. There is also work in progress to review the estate with the view to incorporate low carbon and energy reduction measures in line with the council's commitment to tackle the impact of climate change.

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

54. The final outturn for the Children's Capital programme for 2021-22 was £17.1m. The majority of this expenditure was on the Rotherhithe Primary

School expansion, the Primary School Refurbishment programme and the Charter School East Dulwich.

55. The Children's Services capital programme budget for 2021-22 to 2030-31 is £84.9m. This consists of £16.0m for the schools refurbishment programme as well as certain specific projects such as £15.2m for Rotherhithe School, £11.2m for Charter school, and £14.4m on Beormund Special School. There is an additional £2.6m remaining in the Southwark Schools for the Future Capital Programme including the remaining budget for the rebuilding of Southwark Inclusive learning KS3.
56. There is a new bid in the children's services capital programme budget which is the proposed £2.2m capital project to develop a new children's home within the borough. In 2021/22, Children and Families services was successful in bidding for a £1.9m capital grant from the DfE for a new children's home and a potential site has been identified at 18 St Mary's Road in Peckham. The total estimated cost of the project is £2.2m. Therefore it is suggested that £350k, should be transferred from the existing capital programme within Children and Adults services. A project team is now working to finalise designs and procure a main works contractor to complete the works and open the new children's home during the summer of 2023.
57. The main works on Rotherhithe School are now complete and the school took possession of the new building in June 2022. Demolition of the existing school and landscape works are to follow, completing by the end of 2022. In addition, design work on Riverside Primary School is underway to rectify defective early years' classrooms, dining and safe access into the school, with work anticipated to start on site in February 2023.
58. The Charter School East Dulwich rebuild is the only remaining project from the Primary Schools Expansion Programme currently onsite. This includes the sixth form centre and resource base with a targeted completion date of July 2023.
59. The relocation of Beormund School is currently in the design stage, with enabling works planned to commence in summer 2022. The main works are anticipated to commence on site in spring 2023. The former Bellenden buildings were demolished in January 2022.
60. The Primary Schools Refurbishment programme for 2021-22 is now complete with the majority of the refurbishment works having occurred 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.
61. The School Condition Allocation grant, which funds the yearly Primary Schools Refurbishment programme, is calculated based on pupil numbers

in Southwark and so the yearly allocation has been reduced in line with falling rolls. Therefore the yearly programme will decrease from 2023-24, unless alternative funding is sourced.

62. Going forwards, opportunities are being explored for rationalisation of buildings to make the best use of existing assets to reduce running costs for schools. There is spare capacity in the primary sector (spread unequally across the borough) because of falling rolls relating to a reduced birth rate, which is exacerbated by Covid-19. In addition, there has been a slowdown in growth in the secondary sector although there is still pressure to increase pupil places for children with special needs, which is a national issue for all education authorities.
63. There is an additional £9.6m ESFA High Needs Capital Grant allocation for the 2021-22 to 2023-24 financial years, which has been added into the Education Capital programme. This will be allocated to new/existing projects in line with grant conditions and the council's High Needs strategy.

ENVIRONMENT & LEISURE

Summary

64. The total value of the departmental capital programme for the period 2021-22 to 2030-31 is £148.05m. The final 2021-22 outturn is £15.4m against the latest revised budget of £23.4m. The budget for future years will be updated in line with the outturn.
65. The progress of major schemes is outlined below.

Highways

66. The Non Principal Road (NPR) programme has delivered capital renewals to 62 streets this year, an improvement on the original 60 forecast. In previous years, the programme has concentrated on road resurfacing schemes but due to various Covid related restrictions on working and issues with supply of materials, the programme this year was mainly footway works at locations throughout the borough. Additionally there have been 93 completions against the devolved highways budget portion of this funding.
67. The Principal Roads programme has seen the completion of major resurfacing on Southwark Bridge Road and Copeland Road. Ideally, this is predominantly funded by TfL but there is currently no indication that any TfL funding will be available for 2022-3. Once the road condition data is available, Highway Services will evaluate the need to undertake a Principal Road renewal programme and the required level of funding. This will support a potential capital growth bid to be submitted for the next capital monitor report to cabinet. This will allow the council to continue the current level of maintenance on the network and maintain the overall condition

factor.

68. The School Streets programme is aimed at reducing vehicle journeys outside and around schools. This improves safety and air quality, and encourages more active travel options. Predominantly the programme involves closing roads outside schools either at school access times or on a permanent basis. Works for this year on the school streets programme have been completed in line with forecast. Further works will be carried out in the coming financial year and this has been reflected in the forecast.
69. Highways CIL projects are on track to complete within the limitations set out in the funding, by March 2024. Much of the work that has been carried out this year has been design work rather than construction work however we will be looking toward some implementation of Liverpool Grove improvements, Toulmin Street footway widening and traffic calming on St Aidens Road, among others, in the coming year. Construction works has higher values and the forecasts reflect this profile.
70. Cox's Walk footbridge works have been delayed and the scheme is being reviewed. Due to increased costs of the works, capital allocations for 2023-24 will be brought forward to accommodate this.

Cycling

71. Site works carried out under the cycle infrastructure fund in the Rye Lane area are now complete. Further sections of this work are being designed over the coming year with construction due to commence in 2023-24. Forecasts for future years have been revised to reflect this.
72. The start on-site date for Cycle Superhighway 4 has been revised to September 2022, due to insufficient funding being allocated by TfL in the financial year 2021-22.
73. Cycle Hangers programme has completed the year in line with the current forecast with 500 hangars having been purchased. Further work on this programme will continue over the coming years allowing the council to double this provision again, to 1,000 hangars, by March 2026. £2.5m climate change funding has been secured to continue this programme beyond the current forecast and will be added to the capital monitor.

Cleaner, Greener, Safer (CGS)

74. The Cleaner Greener Safer (CGS) programme has been running since 2003 with a capital allocation amount of £1.88m each year. The programme supports all eight Fairer Future commitments, but mostly a greener borough, a healthier life, and a safer community - all of which are a priority in order to reduce the inequality of living standards. The CGS programme has had a huge impact in supporting Southwark residents to transform their local areas. Projects include playground renovations,

upgrades to sports facilities, new estate cycle parking, tree planting, food growing projects, fencing and lighting improvements. CGS funding for projects and grants ranges from as little as £250 to £25,000.

75. During the yearly application window (normally Sept/Oct) the team receives around 600 applications from residents and organisations for funding. The team, in terms of feasibility and cost, assesses the majority of these and a report sent to ward councillors for review. Councillors make their decisions about which projects are to be funded and these decisions are formally announced at a further series of meetings in Jan/ Feb the following year. Around 250 new projects are funded each year. The team receives over 50 recorded direct compliments each year on what positive change a scheme had on the community.
76. Examples of CGS projects are the American Garden in Peckham, also Draycott Close on the Elmington Estate in Camberwell that is now considered the most aesthetic playground in Southwark. Designed in conjunction with the South London Gallery and artist Celine Condarelli the playground feature bespoke play equipment. Another example is the Canada Estate Green Space. Ball games on a large green space in the Canada Estate had been causing problems for residents for years. The space was then transformed into a food growing area with 20 raised beds which the Tenant and Resident Association has taken responsibility for.

Asset Management

77. The programme for required lamp column replacements and lantern replacement for energy consumption reduction, has been completed. All structural replacements have taken place and relevant luminaires replaced. It has been a very successful programme with completion in a challenging time due to Covid 19 absences.
78. Electric vehicle lamp post chargers – the council has successfully installed the full programme of 50 charge points. Due to a drive in efficiencies and a reduction in Electric Vehicle Charge Points (EVCP) costs, we were able to install a further 50 charge points at no additional cost totalling 100 charge points for the capital programme of 2021-22.

Parks and Leisure

79. The final expenditure for 2021/22 on the Parks & Leisure Capital Programme was £4.904m. The programme includes 32 individual projects in delivery. The most significant expenditure in the 2021/22 Parks and Leisure Capital programme was in respect of the following projects:
 - Southwark Park Sports and Athletics Centre (£1.6m)
 - Borough wide Replacement Tree Planting (£1.2m)
 - Leisure Centres Lifecycle maintenance (£0.6m – various sites)

- Infrastructure and Investment (£0.6m)
- Burgess Park Sports Pavilion and Pitches (£0.2m)
- Nunhead East Lodge – Interim structural works (£0.2m)
- South Dock Marina Lock Gates (£0.1m)
- Burgess Park Urban Games – (£0.1m)

80. Site surveys and initial stakeholder consultations have been completed for the Adventure Playgrounds project with wider community consultation planned from Summer/Autumn 2022.

CAPITAL BID- Parks and Leisure- £0.850m

81. A capital bid has been made for £0.850m to complete essential health and safety works to Dulwich Upper Wood Wall to safeguard public safety. Following extensive consultation, a detailed engineering design has been developed that allows the repair of the collapsing boundary wall at Dulwich Upper Woods whilst minimising the impact on trees. This option involves works on the public highway meaning design and construction costs have increased significantly. The cost plan on the detailed design indicates that an additional cost of £0.850m is required to deliver the repairs. This capital bid is reflected in Appendix E for cabinet approval.

Culture

82. Southwark Heritage Centre and Walworth Library project opened on 19 April 2021.
83. Library infrastructure & IT projects - Rollout & implementation of the new RFID self-service kiosks was delayed due to Covid 19. However, this was implemented and completed in November 2021.

Environmental Services

84. The carbon reduction capital programme is currently being reviewed in order to support the emerging climate emergency strategy. The Tooley Street installation has now been completed and further large installations such as Queens Road are being considered. Feasibility is also being carried out to install LED schemes at all our outdoor sports pitches, as well as seeking carbon reduction opportunities within new builds such as Southwark Park sports pavilion.

Climate Emergency

85. So far, £13.7m of the £25m capital budget has been allocated to thirteen strategic projects that meet the council's carbon reduction ambition. These are outlined below:

Project	£000
Window replacement in tenanted street properties	1,000
Burgess Park - Sports Centre	508
Crematoriums / Cemetery Buildings	100
Upgrade to 5 library sites; Camberwell, East Dulwich, Peckham, Canada Water & Walworth	3,025
Upgrade to 3 children's/youth centres; Ann Bernadt, Bermondsey & Mint Street	1,791
Education Building energy performance surveys	25
Crampton Primary School - remove gas boilers and install air source heat pumps	795
Brunswick Park School - install air source heat pumps in sports hall and further feasibility in dining block	295
Partnership with Veolia for the greening of our waste service focusing on transport and infrastructure	1,000
Library of Things - Walworth Library	40
LED Street Lighting - Speed up roll out	2,180
Expand cycle hanger programme	2,500
Expand EV charging programme	400
Total	13,659

Regulatory Services

86. The GLA schools and nurseries air quality audit starter grants have been approved. Southwark schools air quality audits are more than 50% completed and expected to be completed by 30 September 2022.
87. airTEXT digital discovery project has completed using grant funds of £60K from Impact on Urban Health Charity (IoUH), and £23K from the Digital Innovation Fund. airTEXT is a free service for the public providing air quality alerts by SMS text message, email and voicemail and 3-day forecasts of air quality, pollen, UV and temperature across Greater London. airTEXT is an independent service, operated by Cambridge Environmental Research Consultancy.- The discovery project was designed to understand how airText is currently working and exploring how it might be improved to become more inclusive of ethnicity, age, or whether a different approach to distributing air quality data could be more effective.
88. EPT communications plan has been delayed due to the COVID-19 pandemic. Capital funding for the EPT #one thing air quality awareness campaign has been carried forward to this financial year. The communications plan is being reviewed with a view to commencing the activities.
89. Car free day budget has been spent at an average rate of £5K per quarter. Further car free day initiatives are planned and this is expected to be

finalised by the end of 2022-23. Example of initiatives held to date to support car free days include free bike repair works offered by Dr Bike Stand to residents and having the street closed, inviting Sustrans- an environmental charity organisation and hire bike and scooter operators to a street event. Supporting a street closure for a street procession is currently being applied to support a clean air day event to utilise sustainable travel through using cargo bikes instead of vans. We would like to continue to support initiatives that promote closing streets and utilising them for other purposes.

90. Low emission vehicle procurement and associated charging infrastructure has been completed.
91. A survey of council owned Medium Combustion Plant is under way. This project is for a survey of 19 sites where there is medium to large combustion equipment. The contractor has undertaken an assessment of all Council operated plant that is subject to the Medium Combustion Plan Directive (the directive regulates pollutants). The assessment included a survey of the plant rooms to confirm boiler equipment type and condition and reporting on likely residual lifetime, compliance options and future potential alternative heat approaches and map out methods to reduce emissions from these plant.
92. £0.01m has been spent from the Consolidation Centres Study capital budget on the Old Kent Road air quality focus area freight and logistics project to understand the impact of freight and logistics on congestion and air quality and how to inform the industry to improve the environmental conditions on the Old Kent Road. The project involved interviewing business on the Old Kent Road. Officers are taking part in other pan London freight and logistics projects and intend to identify other opportunities
93. The Mayor's Air Quality Fund budget for Walworth Low Emission Neighbourhood (LEN) is fully committed, designs are complete, and contractors are ready to order materials to spend the remaining budget. The projects included are:-
 - The road closure of Browning Road;
 - Liverpool Grove public realm improvements;
 - Reducing through-traffic to the A3 Kennington Park Road;
 - Ensuring the LEN works for local people
 - Business engagement
 - Community engagement
 - Schools engagement;
 - Encouraging active travel;
 - Supporting the uptake of cleaner vehicles;
 - Area-wide delivery and servicing optimization.

HOUSING AND MODERNISATION

General Fund

Overview

94. The total value of the Housing and Modernisation general fund capital programme for the ten years to 2030-31 is circa £75m and comprises a diverse range of activity, mostly of a corporate back-office nature, which supports wider service delivery across the council. Expenditure for the year was £13.8m. This is slightly higher than the £13.5m forecast at month 8, which remained cautious due to the continued impact of Covid-19.

Asset Management – Corporate Facilities Management (CFM)

95. The CFM programme enables the council to meet its statutory responsibilities for ensuring its operational buildings are compliant with health and safety regulations and ensure the wellbeing of its employees and service users. Delivery is through a comprehensive inspection and assessment regime and building lifecycle maintenance programme designed to enhance their life and maintain asset value. Notwithstanding restrictions, arising from the pandemic, substantial progress has been made as a result of this year's programme. The service received grant funding of £1.3m for Public Sector Decarbonisation Schemes, which it fully delivered in 2021-22, together with £5.4m of life cycle investment across the estate including to libraries, LED lighting in offices, investment in the coroner's court plus energy saving projects across a number of other sites. In addition to this the service also delivered projects to the value of £2.9m for departmental clients who hold the budgets.

Customer Experience – Technology and Digital Services (TDS)

96. There are a number of major projects underway and in development; not least the data centre migration to a cloud-computing environment (Azure). The council's IT infrastructure is a key asset to the delivery of a wide range of services. The investment of £4.3m in 2021-22 demonstrates that the council had been able to return the focus to the wider TDS capital programme compared with last year when the focus moved to the delivery of smart working solutions to enable the council to respond to the pandemic and maintain delivery of many key services. This year there has been significant investment to help the council achieve data migration objectives along with improvements to customer relationship management.

Customer Experience – Smart Working Programme

97. The 'modern ways of working' programme relates to projects that enable the council to transform the way it operates, a key element of which is facilitating the ability for employees to work in more flexible and efficient ways, supported by technology. Last year the acceleration of the

programme in response to the pandemic saw £5m of investment in remote working technology needed to ensure services were maintained. This year the focus returned to other elements of the programme including modernising the council's telephony and a pilot to improve audio visual capabilities, which proved successful and will be rolled out wider during the course of 2022-23. Investment continued in technology that facilitates flexible working which is a key element to modernising working practices.

Asset Management – Housing Renewal

98. 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. Due to the pandemic the council had to put on hold works across all tenures in line with Government guidance. However, specific measures were put in place to ensure the service could respond to emergency requests for clients with life-limiting conditions or to support hospital discharge cases. Total spend in 2021-22 was £1m mainly of the DFG resulting in circa £1m to be rolled forward to accommodate an enhanced programme in 2022-23.
99. At their meeting March 2022, Cabinet agreed additional funding for empty homes in the private sector. This comprises a revolving £2m capital allocation to provide funding to compulsory purchase (CPO) long-term empty homes as well as increases in the annual capital funding available for grants and loans to refurbish empty homes.

Resident Services – Traveller Sites

100. A comprehensive programme of reconfiguration and improvement works to address health and safety and compliance issues (principally fire safety) has been undertaken and further investment in sites continues. However, delays due to the pandemic have resulted in additional costs, namely prolonged temporary re-housing, storage of mobile homes and residents belongings, along with enhancements to the planned projects as the programme progresses. Spend in 2021-22 was £0.5m. Works at the Brideale and Burnhill sites are subject to review and will be reported to Cabinet at a later date with the remaining budget of £0.2m rolled forward to 2022-23.

Housing Investment Programme (HIP)

Overview

101. The HIP outturn shows expenditure of £210.8m in 2021-22, comprising £71.9m on existing stock, £134.2m on new council homes including

acquisitions and site assembly costs and £4.7m on wider regeneration schemes. This was financed through a combination of £69.7m revenue funding, £43m of external grants, S106 and other contributions, £8.7m of RTB and other capital receipts, leaving a residue of £89.4m to be funded through borrowing. The programme is currently under review and over the coming months will see significant change 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 on Aylesbury, Ledbury and Tustin estates, and the council's carbon neutrality commitments.

102. The scale of investment needed is unprecedented (circa £2.3 billion over the next ten years), which the council does not possess. Whilst there is scope for additional borrowing (within predetermined limits), the council must ensure that the revenue financing costs arising remain affordable in the HRA over the long-term without adversely impacting day to day service delivery. The review being undertaken now will help to ensure the HIP can be delivered in line with resource availability and affordability.

Quality Homes Investment Programme (QHIP)

103. 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). Outturn spend for 2021-22 was lower at £52.1m compared to £61.9m projected as at month 8. Due to pandemic restrictions internal works, including the kitchens and bathrooms programme, resumed late in quarter 2 with a phased approach to ensure works are completed in a managed way. Prior to the resumption of the internals programme, the focus was on external works and work to improve district heating. A re-profiling of the QHIP, to take into account new legislative demands around building safety and fire safety, as well as council commitments to reduce carbon emissions, will form part of the new Asset Management Strategy that will be presented to Cabinet later in 2022.

Building Safety

104. In December 2021, Cabinet approved the creation of a new post of Assistant Director for Building Safety and the establishment of a dedicated Building Safety team. Funding of £1.278m was subsequently approved as part of HRA budget setting for 2022-23. Recruitment is underway and the team will, amongst other duties, oversee the Council's Priority Surveying Programme, which will enable the Council to meet new legislative requirements for building and fire safety.
105. Given the extent of council's housing stock and number of high rise blocks in scope of the legislation, the surveying programme is estimated to cost £9.8m (some of which has already been incurred on the Council's Pilot Surveys). Following the surveying programme, remediation works will be needed to keep the Council's residential buildings safe, both now and in

the future. The full cost of remediation is currently unknown, but likely to be significant and need to be prioritised over other programme commitments to ensure the HIP remains affordable and can be sustained over the longer-term. Programme costings will be assessed on completion of surveys and will form part of the refreshed QHIP going forward, estimated to be circa £80m to £100m per annum, subject to resource availability.

Heat Network Strategy

106. The council recognises that substantial investment is required to bring its many and ageing heat networks up to modern standards of reliability, affordability and low carbon. A Heat Networks Strategy paper, approved by Cabinet in September 2021, identified a number of work streams designed to address the situation. The council's first residential heat pumps scheme has progressed well, with £8m spent so far at Consort, Newington and Wyndham and the entire scheme is now approaching practical completion. This is being supported by income from the Renewable Heat Incentive. Five Heat Network Efficiency Scheme (HNES) grants were awarded to the council in February 2022 and are now being spent on improvements to a number of networks. Funding has also now been secured for the next phase of the SELCHP expansion project. In accordance with the updated heat metering regulations, the council has begun a programme of meter installations which is running from April to September 2022. Alongside these installations a billing policy with in-house delivery is being developed, due to be consulted on in the coming months. Due to the poor condition of some networks, significant operational challenges remain which are being addressed through a combination of immediate repair works and longer term planned works.

Special Schemes (High Needs)

107. The special schemes programme covers those estates identified as high need/ high cost requiring extensive repair and refurbishment. The schemes by their nature are complex and resource intensive and require bespoke funding solutions outside of the main QHIP programme. Outturn spend for 2021-22 on these projects was £3.9m, against a month 8 forecast of £8.8m, but revised contractor pricing submitted for the project at Maydew House has resulted in delays and is under review. There is an expectation that significant investment will take place on these schemes during 2022-23.

Other Programme Schemes

108. The remainder of the main programme covers a wide range of schemes, with spend of £9.7m for the year. This includes fire risk assessments, 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

109. The Council's new homes target was achieved in March 2022 with 2,519 having commenced. At present 825 new council homes have been successfully completed across 135 schemes, with 46 schemes on site, delivering 1,694 new council homes. Work is underway to assess the GLA funding allocated to the future pipeline and ensure that the right GLA funding allocation is provided. The programme outturn spend for 2021-22 was £134.2m, some £21.2m lower than forecasted at month 8. However, there are a number of reasons underlying this namely:

- Schemes have experienced delays in achieving planning which has resulted in them not starting on site as planned.
- Delays in the tender process and contract award have been experienced particularly as cost and availability of materials has risen.
- Schemes have been put on hold due to inflated tender submissions which has resulted in them being no longer financially viable.

Restructure – Southwark Construction

110. Following the creation and launch of Southwark Construction in April 2022, the council now has a team of project managers, skilled in construction methods, materials, building safety and an overall broad knowledge with the ability to appoint and challenge contractors and consultants and achieve best value for residents. The council has created an agile and diverse workforce aligned to the programme work flow with greater control over social value.

111. Southwark Construction will work with other departments to put in place policies and procedures that will ensure that the council fulfils its obligations as the freeholder of the block as well as providing the customer experience that home owners expect.

Future New Homes Programme

112. The new target is to deliver a further 1,000 council homes and 500 new keyworker homes by 2026, with the aim to deliver a steady supply of new council homes aimed at around 400-500 homes per annum post 2026. All schemes have been allocated to the relevant teams and project managers have been assigned. This will be reviewed periodically to ensure that the programme is fully resourced and working towards the target. At present in 2022-23 (year 1), it is expected that a large proportion of the 1,000 council homes target will be achieved. Further modelling of the schemes will be undertaken to establish the 500 keyworker homes requirement.

113. The main risk on the programme remains the unpredictability of the market, potential of significant cost increases in all aspects resulting from the impact of Brexit, Covid and the availability of materials and labour. This position is likely to increase and we should not be surprised at experiencing

30% uplift in build costs as a minimum.

Buyback 20 & 40 schemes

114. In 2020, MHCLG made £161m grant funding available to local authorities to purchase one bedroom units on the open market to increase available stock to house rough sleepers. The council made a bid in October 2020 which was approved with a project completion deadline of 31 March 2022. £1.2m of grant funding was agreed to enable the council to purchase 20 ex-RTB one bedroom units with an overall budget of £6.3m (the Buyback 20 scheme). Cabinet subsequently approved additional funding of £12.8m to purchase a further 40 units (the Buyback 40 scheme).
115. As at year-end, the council has successfully acquired 20 properties under the Buyback 20 scheme at a cost of £4.9m. The remaining budget will be rolled forward to 2022-23 for any associated costs and will be financially complete during the year. In addition, a further 37 properties have been successfully acquired under the Buyback 40 scheme at a cost of £10.8m, with the remaining budget similarly rolled forward to this year to conclude the outstanding completions and associated costs.

Regeneration Schemes

116. Outturn spend on regeneration schemes was £4.7m, with most of the existing projects now drawing to a close. Acquisitions on the Aylesbury Estate account for the majority of spend (£4.5m).

Responding to the climate emergency

117. The Housing Investment Programme includes a wide range of planned projects and initiatives to tackle the climate emergency, including the installation of water source heat pumps to the Consort, Wyndham and Newington estates and plans to extend the programme where feasible. A programme for the initial roll-out of heat meters to approximately 2,000 properties, which will help to reduce wastage, lower carbon emissions and provide residents with greater control over costs. The installation of highly efficient condensing boilers continues at pace, with more than 1,500 expected to be installed during the current financial year. Furthermore, old communal ventilation systems are being replaced, which will help to reduce energy usage, reduce condensation and improve air quality in council homes. Officers are also looking at options to extend the combined heat and power provision and exploring external funding opportunities to assist with improving energy efficiency and providing low carbon heating in the council's housing stock.

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

118. 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

119. 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

120. The council has a duty to maintain a balanced budget throughout the year and, accordingly, members are required to regularly monitor the council's financial position. Section 28 of the Local Government Act 2003 imposes a duty on the council to monitor its budgets throughout the financial year, using the same figures for reserves as were used in the original budget calculations. The council must take necessary appropriate action to deal with any deterioration in the financial position revealed by the review.

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

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Policy and Resources Strategy: capital monitoring report, including capital programme update 2021-22 (month 8)	Southwark council Finance and Governance 160 Tooley Street London SE1 2QH	Tim Jones, Departmental Finance Manager, Finance and Governance
Link (please copy and paste into browser):		
https://modern.gov.southwark.gov.uk/documents/s104877/M8%202021-22%20Capital%20Monitor%20Final%201%20Feb%202022%20v2.pdf		

APPENDICES

No.	Title
Appendix A	General fund outturn summary 2021-22
Appendix B	Housing investment programme outturn summary 2021-22
Appendix C	Budget virements and variations at outturn 2021-22
Appendix D	General fund programme detail at outturn 2021-22
Appendix E	New Capital Bids

AUDIT TRAIL

Cabinet Member	Councillor Stephanie Cryan, Finance, Democracy and Digital	
Lead Officer	Duncan Whitfield, Strategic Director of Finance and Governance	
Report Author	Tim Jones, Departmental Finance Manager, Finance and Governance	
Version	Final	
Dated	6 July 2022	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Director of Law and Governance	Yes	Yes
Strategic Director for Finance and Governance	N/a	N/a
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team		6 July 2022

Appendix A - General fund capital programme 2021-22 Outturn Monitor

Department	2021/22			2022/23			2023/24+			Total Programme 2021/22-30/31		
	Revised Budget	Outturn	Variance	Revised Budget	Forecast	Variance	Revised Budget	Forecast	Variance	Revised Budget	Total Forecast	Total Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Children's and Adults' Services	29,948	18,721	(11,227)	48,164	29,979	(18,185)	38,170	67,582	29,412	116,282	116,282	-
Southwark Schools for the Future	524	277	(247)	2,074	2,321	247	-	-	-	2,598	2,598	-
Environment and Leisure	23,409	15,411	(7,998)	36,036	33,251	(2,785)	88,587	99,370	10,783	148,032	148,032	-
Housing and Modernisation	13,355	13,804	449	15,133	12,916	(2,217)	46,658	48,426	1,768	75,146	75,146	-
Chief Executive's	42,155	48,537	6,382	99,606	93,224	(6,382)	46,758	46,758	-	188,519	188,519	-
TOTAL EXPENDITURE	109,391	96,750	(12,641)	201,013	171,691	(29,322)	220,173	262,136	41,963	530,577	530,577	-
FUNDED BY:												
Corporate Resource Pool	28,808	3,118	(25,690)	21,964	47,654	25,690	32,500	32,500	-	83,272	83,272	-
Major Repairs allowance	-	-	-	-	-	-	-	-	-	-	-	-
Supported Borrowing	-	-	-	-	-	-	-	-	-	-	-	-
Reserves	160	160	-	719	719	-	3,412	3,412	-	4,291	4,291	-
Revenue	72	72	-	-	-	-	-	-	-	72	72	-
Capital Grants	24,415	16,531	(7,884)	19,857	20,486	629	23,546	30,801	7,255	67,818	67,818	-
Section 106 and CIL	9,933	6,684	(3,249)	10,227	11,952	1,725	24,279	25,803	1,524	44,439	44,439	-
External Contributions	1,549	482	(1,067)	1,100	4,041	2,941	1,883	9	(1,874)	4,532	4,532	-
TOTAL RESOURCES	64,937	27,047	(37,890)	53,867	84,852	30,985	85,620	92,525	6,905	204,424	204,424	-
Financing to be agreed/Borrowing	44,454	69,703	25,249	147,146	86,839	(60,307)	134,553	169,611	35,058	326,153	326,153	-

*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 12 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	650	1,091	1,091	441	1,970	1,530	(441)	-	-	-	-	-	-	2,621	2,621	0
	650	1,091	1,091	441	1,970	1,530	(441)	-	-	-	-	-	-	2,621	2,621	0
Special Schemes/HINE																
Chilton Grove Wall - Decent Homes	557	68	68	(489)	802	1,291	489	-	-	-	-	-	-	1,359	1,359	-
Tustin	3,005	1,568	1,568	(1,437)	100	1,537	1,437	-	-	-	-	-	-	3,105	3,105	-
Damory/Thaxted externals	299	39	39	(259)	1,129	1,388	259	-	-	-	-	-	-	1,427	1,427	-
Maydew	3,190	1,675	1,675	(1,515)	8,243	9,759	1,515	-	-	-	-	-	-	11,434	11,434	0
Lakanal House	3	3	3	0	36	36	(0)	-	-	-	-	-	-	39	39	0
Ledbury Refurbishment	-	25	25	25	-	-	-	-	-	-	-	-	-	-	25	25
Marie Curie	1,716	523	523	(1,193)	2,556	3,749	1,193	-	-	-	-	-	-	4,272	4,272	-
	8,770	3,902	3,902	(4,868)	12,867	17,760	4,893	-	-	-	-	-	-	21,636	21,662	25
Asset management Strategy (Inc. Kitchens & Bathrooms & LD2)																
Asset Management Strategy 2021+Future years (QHIP)	61,609	52,083	52,083	(9,526)	66,420	67,800	1,380	68,100	66,439	(1,661)	420,858	430,665	9,807	616,987	616,987	-
Installation of LD2	-	-	-	-	1,900	1,900	-	1,900	1,900	-	9,560	9,560	-	13,360	13,360	-
FRA Contingency Budgets	300	19	19	(281)	1,680	300	(1,380)	-	1,661	1,661	-	-	-	1,980	1,980	0
	61,909	52,102	52,102	(9,807)	70,000	70,000	-	70,000	70,000	-	430,418	440,225	9,807	632,327	632,327	0
Type 4 Fire Risk Assessment																
Type 4 Fire Risk Assessment	1,329	1,434	1,434	105	6,263	2,526	(3,736)	5,025	12,966	7,942	14,537	10,227	(4,311)	27,154	27,154	-
	1,329	1,434	1,434	105	6,263	2,526	(3,736)	5,025	12,966	7,942	14,537	10,227	(4,311)	27,154	27,154	-
HEAT NETWORK STRATEGY																
Heat Network Strategy (including SELCHP Expansion)	5,012	3,510	3,510	(1,502)	16,691	17,709	1,017	15,000	15,000	-	263,235	263,720	485	299,939	299,939	0
Consort, Newington and Wyndham District Heating Heat	2,735	2,735	2,735	-	384	384	-	181	181	-	-	-	-	3,300	3,300	-
	7,748	6,245	6,245	(1,502)	17,075	18,092	1,017	15,181	15,181	-	263,235	263,720	485	303,238	303,238	0
Regeneration																
Aylesbury Estate regeneration	6,545	4,471	4,471	(2,075)	14,817	14,810	(7)	10,000	10,000	-	5,800	7,881	2,081	37,162	37,162	-
Bermondsey Spa refurbishment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
East Dulwich Estate	175	186	186	11	507	496	(11)	-	-	-	-	-	-	682	682	-
Elmington Estate	155	0	0	(155)	-	155	155	-	-	-	-	-	-	155	155	-
Heygate Estate	62	0	0	(62)	-	62	62	-	-	-	-	-	-	62	62	-
Regeneration Commercial properties	25	-	-	(25)	-	25	25	-	-	-	-	-	-	25	25	-
	6,962	4,657	4,657	(2,305)	15,324	15,548	223	10,000	10,000	-	5,800	7,881	2,081	38,086	38,086	-
New Builds																
Hostels new build	-	7	7	7	-	-	-	-	-	-	-	-	-	-	7	7
Hidden Homes	1,141	1,046	1,046	(96)	761	815	54	46	95	49	8	-	(8)	1,956	1,956	(0)
Regeneration and Development	34,810	27,915	27,915	(6,895)	113,004	115,058	2,054	61,472	67,334	5,861	31,323	30,303	(1,020)	240,609	240,609	(0)
Direct Delivery - New Council Homes Phases 1-5	57,167	52,575	52,575	(4,593)	265,516	216,484	(49,033)	161,143	212,136	50,993	103,030	106,828	3,798	586,856	588,021	1,165
Aylesbury FDS New Build Packages A & B	30,620	27,957	27,957	(2,663)	27,455	24,206	(3,249)	40,093	37,685	(2,408)	42,447	50,767	8,320	140,615	140,615	-
Tustin Low Redevelopment	3,647	2,404	2,404	(1,243)	6,273	6,058	(214)	4,330	2,697	(1,633)	-	3,090	3,090	14,250	14,250	-
Ledbury Towers	1,741	2,078	2,078	337	9,820	12,002	2,182	19,859	25,175	5,316	142,729	134,894	(7,835)	174,149	174,149	(0)
	129,126	113,981	113,981	(15,145)	422,828	374,622	(48,206)	286,943	345,121	58,178	319,537	325,882	6,345	1,158,435	1,159,607	1,172
Acquisitions																
Acquisitions & S106 properties	25,156	19,898	19,898	(5,258)	29,302	26,441	(2,861)	12,737	19,827	7,091	53,850	54,878	1,028	121,044	121,044	(0)
Ledbury Acquisitions	1,100	287	287	(813)	1,500	2,313	813	1,500	1,500	-	2,355	2,355	-	6,455	6,455	0
	26,256	20,185	20,185	(6,071)	30,802	28,754	(2,048)	14,237	21,327	7,091	56,204	57,233	1,028	127,499	127,499	(0)
Other programmes																
Adaptations	2,319	2,231	2,231	(88)	1,600	1,600	-	1,600	1,600	-	8,442	8,531	88	13,962	13,962	0
Cash incentive & Home owner buy back scheme	573	453	453	(120)	2,206	2,150	(56)	-	-	-	-	-	-	2,780	2,603	(177)
Disposals costs	400	375	375	(25)	400	400	-	400	400	-	158	182	25	1,358	1,358	-
Hostels accommodation	-	-	-	-	95	-	(95)	-	95	95	-	-	-	95	95	-
Major voids	402	304	304	(97)	352	449	97	-	-	-	-	-	-	753	753	(0)
Security	76	15	15	(61)	694	653	(41)	-	103	103	-	-	-	770	770	(0)
T&RA halls	35	33	33	(3)	1,649	1,652	3	-	-	-	-	-	-	1,685	1,685	-
WDS Leathermarket JMB	3,350	1,610	1,610	(1,740)	3,150	2,445	(705)	-	2,445	2,445	-	-	-	6,500	6,500	0
Aylesbury Fire Remedial works	1,300	2,132	2,132	832	2,062	1,230	(832)	-	-	-	-	-	-	3,362	3,362	-
	8,456	7,153	7,153	(1,303)	12,208	10,579	(1,629)	2,000	4,642	2,642	8,600	8,713	113	31,264	31,087	(177)
	251,206	210,751	210,751	(40,455)	589,337	539,411	(49,926)	403,385	479,238	75,853	1,098,333	1,113,881	15,548	2,342,260	2,343,281	1,020
FINANCED BY:																
Capital Receipts b/fwd	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital receipts Leather Market Self financing	1,610	1,610	1,610	-	2,445	2,445	-	2,445	2,445	-	-	-	-	6,500	6,500	-
Capital Receipts	3,200	3,200	3,200	-	34,028	34,028	-	6,425	6,425	-	22,700	22,700	-	66,354	66,354	-
Additional New Build Receipts-SRPP	-	-	-	-	13,521	13,521	-	36,959	36,959	-	40,070	40,070	-	90,550	90,550	-
RTB Receipts - Restricted to New Build (incl buybacks)	5,526	5,526	5,526	-	9,252	9,252	-	7,249	7,249	-	21,436	21,436	-	43,464	43,464	-
Major Repairs Reserves	55,046	55,046	55,046	-	51,000	51,000	-	51,000	51,000	-	357,000	357,000	-	514,046	514,046	-
Revenue Contribution	14,602	14,602	14,602	-	26,888	26,888	-	20,745	20,745	-	145,213	145,213	-	207,448	207,448	-
Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
New Homes Grant	40,701	40,701	40,701	-	63,188	63,188	-	92,021	92,021	-	34,830	34,830	-	230,740	230,740	-
Other Grants-External Contribution	-	-	-	-	5,223	5,223	-	6,118	6,118	-	1,402	1,402	-	12,742	12,742	-
Section 106 Funds	719	719	719	-	9,999	9,999	-	10,000	10,000	-	24,162	24,162	-	44,881	44,881	-
Borrowing - New Build	75,094	75,094	75,094	-	283,124	283,124	-	199,370	199,370	-	223,564	223,564	-	781,153	781,153	-
Borrowing - Acquisitions and site assembly	14,253	14,253	14,253	-	23,157	23,157	-	17,689	17,689	-	40,015	40,015	-	95,113	95,113	-
Borrowing - Heat Network	-	-	-	-	7,261	7,261	-	15,181	15,181	-	203,306	203,306	-	225,748	225,748	-
TOTAL RESOURCES	210,751	210,751	210,751	-	529,087	529,087	-	465,203	465,203	-	1,113,699	1,113,699	-	2,318,740	2,318,740	-
Forecast variation (under)/over	40,455	0	0	0	60,250	10,324	49,926	(61,818)	14,035	47,783	(15,366)	182	15,548	23,521	24,541	1,020

Appendix C - Budget virements and variations 2021-22 Outturn 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 M8 2021-22		75,306,473	31,765,091	107,071,564	2,598,051	143,755,540	69,484,293	172,234,060	495,143,508	2,293,351,597	2,788,495,105
OUTTURN VIREMENTS TO BE APPROVED											
Children's Services											
St Mary's Road Children's Home	S-9999-0001	350,000		350,000					350,000		350,000
Beormund Primary School Relocation	E-1801-0310	2,800,000		2,800,000					2,800,000		2,800,000
The Charter School E.Dulwich	E-1406-0340	150,000		150,000					150,000		150,000
Riverside Primary School	E-1137-0320	2,500,000		2,500,000					2,500,000		2,500,000
School Retention		(5,450,000)		(5,450,000)					(5,450,000)		(5,450,000)
Housing and Modernisation											
Operational Buildings Life Cycle Investment	R-4040-0060						(43,081)		(43,081)		(43,081)
Public Sector Decarbonisation Scheme	G-4040-0010						43,081		43,081		43,081
Adult Social Care											
Bed Based Care (new code)	S-0001-0007		(350,000)	(350,000)					(350,000)		(350,000)
Environment and Leisure											
Kingswood House refurb	L-1100-0030					(34,164)			(34,164)		(34,164)
Library Infrastructure Programme	L-1340-0040					34,164			34,164		34,164
Grove Vale Library	L-1340-0005					(1,122)			(1,122)		(1,122)
Library Infrastructure Programme	L-1340-0040					1,122			1,122		1,122
Southwark Streetscapes Post-COVID	R-2020-0040.05					84,865			84,865		84,865
Chief Executive's											
71-75 Albion Street	R-4020-0180.01							(20,000)	(20,000)		(20,000)
Albion Street	R-7000-2021.05.08							20,000	20,000		20,000
719-727 Old Kent Road	R-4020-0150.13							(100,000)	(100,000)		(100,000)
Folgate Estate	R-4020-0150.15							100,000	100,000		100,000
Healthy Neighbourhood	R-2020-0040.05							(84,865)	(84,865)		(84,865)
Harper Road	R-1230-0320.01							(12,738)	(12,738)		(12,738)
Improving Local Reta	R-1230-0320.05							12,738	12,738		12,738
Peckham Townscape He	R-1230-0329.2.1							17,854	17,854		17,854
Peckham Rye Station Redevelopment(Gateway to Peckham)	R-4020-0060							(17,854)	(17,854)		(17,854)
Canada Water acquisition	R-4020-0326.1							84,206	84,206		84,206
Canada Water Library	R-5040-0010.1							17,568	17,568		17,568
Catlin Street - OKR	R-4020-0150.16							76,158	76,158		76,158
Strategic Property Purchase	R-4020-0150.06							(177,932)	(177,932)		(177,932)
Peckham Townscape Heritage	R-1230-0329.2.1							(10,477)	(10,477)		(10,477)
Peckham Townscape Heritage	R-1230-0329.2.1							(25,128)	(25,128)		(25,128)
Peckham Townscape Heritage	R-1230-0329.2.1							35,605	35,605		35,605
231 Old Kent Road	R-4020-0066							6,126	6,126		6,126
Old Kent Road Public Realm	R-4020-0069							(6,126)	(6,126)		(6,126)
Construction Skills Centre for South London(NHB)	R-4020-0230							57,947	57,947		57,947
Construction Skills Centre for South London(NHB)	R-4020-0230							(57,947)	(57,947)		(57,947)
HRA											
Asset Management Strategy (QHIP)	NPHS									5,529,445	5,529,445
Installation of LD2	NPHS-LD2									(5,529,445)	(5,529,445)
Tustin	Tustin									2,479	2,479
Hidden Homes	regHidH									(2,479)	(2,479)
TOTAL VIREMENTS TO BE APPROVED AT OUTTURN		350,000	(350,000)	-	-	84,865	-	(84,865)	-	-	(0)
OUTTURN - VARIATIONS TO BE APPROVED											

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
Children's Services											
Primary Schools Refurbishment Programme	PPM grant	(2,312,078)		(2,312,078)					(2,312,078)		(2,312,078)
SEND and Disabilities Development	E-6300-0330	9,604,595		9,604,595					9,604,595		9,604,595
Foster Carer Homes	E-6300-0310	9,202		9,202					9,202		9,202
St Mary's Road Children's Home	S-9999-0001	1,851,000		1,851,000					1,851,000		1,851,000
St Joseph's CIL	E-1000-0000	58,104		58,104					58,104		58,104
Environment and Leisure											
MAQF Project (Walworth LEN)	L-6200-0062					233,000			233,000		233,000
Sports Pitch Provision - Parks	L-2340-0411					2,400,000			2,400,000		2,400,000
Dulwich Village	L-2403-2020					5,000			5,000		5,000
Southwark Streetscapes Post-COVID	R-2020-0040.05					100,000			100,000		100,000
Additional Replacement Tree Planting	L-2340-0390					110,421			110,421		110,421
Flood Prevention (Highways drainage gully replacement) Programme	L-5110-0080					21,500			21,500		21,500
Cycle Superhighway 4 project	L-5110-0192					85,000			85,000		85,000
CiL Shad Thames Streets Projects	L-7000-2021.02.17					375,000			375,000		375,000
Major Parks	L-2340-0360					17,836			17,836		17,836
Infrastructure & Inv	L-2340-0401					850,000			850,000		850,000
S106 Brunswick Park Play	L-5110-0135					(6,388)			(6,388)		(6,388)
S106 Dog Kennel Hill Parking Study	L-5110-0155					(169)			(169)		(169)
Housing & Modernisation											
Empty Homes Funding	G-7791-0020						3,662,010		3,662,010		3,662,010
Compulsory purchase (CPO) long-term empty homes	G-7791-0030						2,000,000		2,000,000		2,000,000
Chief Executive's											
Blackfriars LTN	R-2021-0040.09							180,000	180,000		180,000
Dickens Square	R-4020-0100.4							5,704	5,704		5,704
71-75 Albion Street	R-4020-0180.01							50,000	50,000		50,000
Canada Water acquisition	R-4020-0326.1							336,822	336,822		336,822
Holyrood Street	R-4020-0327.1							45,000	45,000		45,000
Blue Market Regeneration Programme	R-4020-0329.01							8,800	8,800		8,800
Thames Path Improvement	R-4020-0355.01							300,000	300,000		300,000
Meeting House Lane	R-1230-0312.01							(12,842)	(12,842)		(12,842)
Livesey Exchange	R-4020-0063.01							206,700	206,700		206,700
Void Shops & Council	R-4020-0140.01							250,000	250,000		250,000
HRA											
Marie Curie	Marie									840,000	840,000
Regeneration and Development	SRPP									408,769	408,769
Direct Delivery - New Council Homes Phases 1-5	regDDPHs									43,390,339	43,390,339
Adaptations	othAdap									719,335	719,335
Security	othSec									620,994	620,994
Cash incentive & Home owner buy back scheme	othCIS									2,150,000	2,150,000
Consort, Newington and Wyndham District Heating Heat Pump installations	heatpump									779,370	779,370
TOTAL VARIATIONS TO BE APPROVED AT OUTTURN											
		9,210,823	-	9,210,823	-	4,191,200	5,662,010	1,370,184	20,434,217	48,908,807	69,343,024
TOTAL PROGRAMME BUDGET VIREMENTS & VARIATIONS AT OUTTURN 2021/22											
		9,560,823	(350,000)	9,210,823	-	4,276,065	5,662,010	1,285,319	20,434,217	48,908,807	69,343,024
REVISED BUDGETS											
		84,867,295	31,415,091	116,282,386	2,598,051	148,031,606	75,146,303	173,519,379	515,577,725	2,342,260,404	2,857,838,129
VIREMENTS & VARIATIONS REQUESTED TO BE APPROVED FINANCED BY:											
Corporate Resources / Capital Receipt		378,810	(350,000)	28,810	-	844,734	5,662,010	35,605	6,571,159	2,990,000	9,561,159
Major Repairs Allowance		-	-	-	-	-	-	-	-	1,400,364	1,400,364
Reserves		-	-	-	-	-	-	57,947	57,947	-	57,947

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
Revenue		(19,608)	-	(19,608)	-	-	-	-	(19,608)	-	(19,608)
Capital Grant		9,143,517	-	9,143,517	-	3,427,622	-	636,211	13,207,350	-	13,207,350
Section 106 and CIL		58,104	-	58,104	-	(1,291)	-	(57,947)	(1,134)	719,335	718,201
External Contribution		-	-	-	-	5,000	-	613,503	618,503	-	618,503
Supported Borrowing		-	-	-	-	-	-	-	-	43,799,108	43,799,108
TOTAL RESOURCES		9,560,823	(350,000)	9,210,823	-	4,276,065	5,662,010	1,285,319	20,434,217	48,908,807	69,343,024

Appendix D - General fund capital programme 2021-22 outturn 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
Environment and Leisure													
CIL 2021- CGS	25	6	6	(19)	65	44	(21)	52	92	40	142	142	0
Cleaner Greener Safer	1,484	1,383	1,383	(101)	3,980	1,836	(2,144)	12,700	14,946	2,246	18,164	18,164	(0)
Cycle Superhighway 4 Project	105	90	90	(15)	2,889	0	(2,889)	0	2,904	2,904	2,994	2,994	0
Southwark School Streets	200	101	101	(99)	910	600	(310)	1,584	1,993	409	2,694	2,694	0
Cycle Hangers	350	331	331	(19)	359	378	19	0	0	0	709	709	0
CIL 2021- Highways	321	295	295	(25)	892	754	(138)	206	369	163	1,418	1,418	0
Other PR Projects	2,642	1,181	1,181	(1,461)	1,715	2,067	352	1,131	2,240	1,109	5,489	5,489	0
StreetCare	5,055	5,763	5,763	708	7,195	5,820	(1,375)	32,904	33,571	667	45,155	45,155	0
Air Quality	300	129	129	(172)	500	672	172	0	0	0	800	800	0
Air Quality Action Plan & Climate Emergency Delivery Project	1,105	0	0	(1,105)	15	1,120	1,105	0	0	0	1,120	1,120	0
Regulatory Services	354	115	115	(239)	0	239	239	0	0	0	354	354	0
Carbon Reduction Investment	750	0	0	(750)	1,438	2,188	750	0	0	0	2,188	2,188	0
Climate Emergency	0	0	0	0	1,250	1,250	0	23,750	23,750	0	25,000	25,000	0
Street Metal Works	890	912	912	22	1,450	1,428	(22)	2,127	2,127	0	4,467	4,467	0
Walworth Library & Heritage Centre	334	18	18	(316)	333	574	241	333	408	75	1,000	1,000	0
Youth Services	668	29	29	(639)	0	639	639	0	0	0	668	668	0
Culture	353	155	155	(198)	200	398	198	900	900	0	1,453	1,453	0
Cemetery Burial Strategy	148	56	56	(92)	137	153	17	0	75	75	284	284	0
Nunhead Cemetery Wall Repair	22	28	28	7	111	104	(7)	0	0	0	133	133	0
East Lodge Nunhead Cemetery	361	68	68	(293)	155	462	307	45	31	(14)	561	561	0
Drinking Water Fountains throughout Southwark	0	0	0	0	30	30	0	27	27	0	57	57	0
Adventure Playground	11	11	11	0	1	2	1	173	171	(1)	184	184	0
Tree Planting	836	1,190	1,190	354	1,070	900	(170)	2,882	2,698	(183)	4,788	4,788	0
CIL 2021- Parks	293	28	28	(265)	380	545	165	0	100	100	673	673	0
Parks	4,397	1,186	1,186	(3,210)	9,264	9,676	412	6,848	9,646	2,798	20,509	20,509	0
South Dock Marina	311	120	120	(191)	94	259	165	158	184	26	563	563	0
Active Southwark Community Investment Fund	20	0	0	(20)	200	150	(50)	280	350	70	500	500	0
Leisure	2,074	2,216	2,216	142	1,403	961	(442)	2,486	2,786	300	5,963	5,963	0
Environment and Leisure Total	23,409	15,411	15,411	(7,999)	36,036	33,251	(2,785)	88,586	99,370	10,784	148,032	148,032	(0)
Chief Executive's													
Transport Policy & Planning	2,325	2,321	2,321	(5)	900	905	5	0	0	0	3,226	3,226	0
Walworth Town Hall	350	365	365	15	2,282	2,267	(15)	0	0	0	2,632	2,632	0
Canada Water Leisure Centre	4,500	8,672	8,672	4,172	16,000	11,828	(4,172)	11,914	11,914	0	32,414	32,414	0
Canada Water Strategic acquisitions	421	421	421	0	0	0	0	0	0	0	421	421	0
Blue Market Regeneration Programme	1,342	1,337	1,337	(5)	0	5	5	0	0	0	1,342	1,342	0
Revitalising the Blue	750	138	138	(612)	1,250	1,862	612	0	0	0	2,000	2,000	0
Riverside Walk	60	22	22	(38)	1,327	1,365	38	100	100	0	1,487	1,487	0
Regeneration North	2,078	1,957	1,957	(121)	2,830	2,950	121	1,814	1,814	0	6,721	6,721	0
Revitalising Camberwell	0	0	0	0	1,000	1,000	0	1,095	1,095	0	2,095	2,095	0
Peckham Rye Station Redevelopment	3,534	3,269	3,269	(265)	12,676	12,941	265	0	0	0	16,210	16,210	0
The Old Vic	0	0	0	0	2,736	2,736	0	1,000	1,000	0	3,736	3,736	0
Regeneration South	9,122	15,845	15,845	6,723	19,921	13,199	(6,723)	360	360	0	29,404	29,404	0
21-23 Parkhouse Street	50	26	26	(24)	3,356	3,380	24	0	0	0	3,406	3,406	0
Peckham Library Square	344	221	221	(122)	6,235	6,357	122	0	0	0	6,579	6,579	0
Regeneration Capital	1,189	402	402	(787)	2,046	2,832	787	6,500	6,500	0	9,734	9,734	0
Strategic Acquisitions	9,739	8,133	8,133	(1,605)	20,966	22,572	1,605	0	0	0	30,705	30,705	0
Property Services	1,352	607	607	(744)	1,280	2,024	744	860	860	0	3,492	3,492	0
Elephant & Castle Regeneration	4,800	4,800	4,800	0	4,800	4,800	0	23,116	23,116	0	32,716	32,716	0

Appendix D - General fund capital programme 2021-22 outturn detail

Capital Programme 2021/22 - 2030/31 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
Employment Experience	200	0	0	(200)	0	200	200	0	0	0	200	200	0
Chief Executive's Total	42,155	48,537	48,537	6,382	99,606	93,224	(6,382)	46,758	46,758	0	188,519	188,519	0
Children's and Adults' Services													
Adult PSS Capital Allocations	200	0	0	(200)	500	500	0	4,585	4,785	200	5,285	5,285	0
Telecare expansion	143	100	100	(43)	0	43	43	0	(0)	(0)	143	143	0
Lifecycle capital prog- Anchor homes	1,000	1,046	1,046	46	3,024	2,024	(1,000)	1,408	2,362	954	5,432	5,432	0
Lifecycle capital prog- ASC properties	550	354	354	(196)	788	788	0	8,967	9,162	196	10,305	10,305	0
Mosaic Management Information Development	300	107	107	(193)	300	493	193	0	0	0	600	600	(0)
Bed Based Care	0	0	0	0	1,650	1,650	0	8,000	8,000	0	9,650	9,650	0
Primary Schools Refurbishment Programme Retention	110	25	25	(85)	10	95	85	0	(0)	(0)	120	120	0
Primary Schools refurbishment programme 2020/21	677	267	267	(410)	10	420	410	0	0	0	687	687	0
Primary Schools refurbishment programme 2021/22	3,325	2,476	2,476	(849)	175	1,024	849	0	0	0	3,500	3,500	0
Primary Schools refurbishment programme 2022/23	0	0	0	0	3,500	3,500	0	0	0	0	3,500	3,500	0
Autism Spectrum	0	0	0	0	0	0	0	900	900	0	900	900	0
Beornund Primary School Redevelopment	1,000	613	613	(387)	13,411	1,000	(12,411)	0	12,798	12,798	14,411	14,411	0
Healthy Pupils Programme	98	0	0	(98)	0	98	98	0	0	0	98	98	0
Ilderton School	0	0	0	0	0	0	0	0	0	0	0	0	0
LSBU Passmore	87	87	87	0	0	0	0	0	0	0	87	87	0
Permanent Expansion	10,092	2,545	2,545	(7,547)	2,650	8,870	6,220	0	1,327	1,327	12,742	12,742	0
Primary Schools refurbishment programme	0	0	0	0	0	0	0	8,188	8,188	0	8,188	8,188	0
Riverside Primary School	307	69	69	(238)	5,000	2,000	(3,000)	619	3,857	3,238	5,926	5,926	0
School Retention	0	0	0	0	0	0	0	1,296	1,296	0	1,296	1,296	0
Rotherhithe Primary School Expansion	11,181	10,384	10,384	(797)	3,995	3,792	(203)	0	1,000	1,000	15,176	15,176	(0)
St Josephs CIL	58	58	58	(0)	0	0	0	0	0	0	58	58	(0)
SEND and disabilities development	569	338	338	(231)	7,900	1,631	(6,269)	4,207	10,707	6,500	12,675	12,675	(0)
Southwark Inclusive Learning Service KS4	0	0	0	0	3,200	0	(3,200)	0	3,200	3,200	3,200	3,200	0
Troubled Families	251	251	251	0	2,051	2,051	0	(0)	(0)	0	2,302	2,302	0
Children's and Adults' Services Total	29,948	18,721	18,721	(11,228)	48,164	29,979	(18,185)	38,170	67,582	29,413	116,282	116,282	(0)
Southwark Schools for the Future													
KS3 SILS	524	277	277	(247)	0	247	247	0	0	0	524	524	0
Contingency and retention payments	0	0	0	0	2,074	2,074	0	0	0	0	2,074	2,074	0
Southwark Schools for the Future Total	524	277	277	(247)	2,074	2,321	247	0	0	0	2,598	2,598	0
Housing and Modernisation													
Gypsy and Travellers Site Fire Safety Reconfiguration	217	48	48	(169)	0	169	169	0	0	0	217	217	(0)
IT Investment Schemes	3,557	4,265	4,265	708	6,655	5,948	(708)	4,208	4,208	0	14,421	14,421	0
Queens Road 4	10	5	5	(5)	0	0	0	37	42	5	47	47	0
PPM & Compliance Programme (CRP)	250	301	301	51	480	429	(51)	8,651	8,651	0	9,381	9,381	0
Operational Buildings Life Cycle Investment	3,824	5,495	5,495	1,671	4,992	3,364	(1,628)	10,681	10,638	(43)	19,497	19,497	0
Public Sector Decarbonisation Scheme	1,347	1,347	1,347	0	0	0	0	0	0	0	1,347	1,347	0
Smart Working Programme	2,039	1,217	1,217	(821)	0	0	0	1,568	2,389	821	3,606	3,606	0
Housing Renewal	2,111	1,126	1,126	(985)	3,006	3,006	0	21,513	22,497	985	26,629	26,629	0
Housing and Modernisation Total	13,355	13,804	13,804	449	15,133	12,916	(2,217)	46,658	48,426	1,769	75,146	75,146	(0)
Capital Programme 2021/22-2030/31													
	Total General Fund Programme												

Appendix D - General fund capital programme 2021-22 outturn 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
	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
Total Expenditure	109,392	96,749	96,749	(12,642)	201,014	171,691	(29,323)	220,172	262,137	41,965	530,578	530,578	(0)
Total Resources	64,937	0	27,047	(37,890)	53,867	84,852	30,985	85,620	92,525	6,905	204,424	204,424	0
Forecast variation (under)/over	44,455	96,749	69,702	25,248	147,147	86,839	(60,308)	134,552	169,612	35,060	326,154	326,154	(0)
Cumulative position					191,602	156,542	(35,060)	326,154	326,154	0	326,154	326,154	(0)

Appendix E - Capital programme 2021/22 outturn- New capital bids

Paragraph	Service	Project/Programme Description	2021/22 £'000	2022/23+ £'000	Total Programme £'000	Financing	
						Funded (S106/CIL, Grant etc) £'000	Resources to be identified £'000
81	Environment & Leisure	Dulwich Upper Wood Wall		850	850	-	850
99	Housing & Modernisation	Empty Homes Funding		3,662	3,662	-	3,662
99	Housing & Modernisation	Long-Term Empty Homes CPO		2,000	2,000	-	2,000
					-	-	-
			-	6,512	6,512	-	6,512

Item No. 16.	Classification: Open	Date: 18 July 2022	Meeting Name: Cabinet
Report title:		Borough Emergency Plan 2022	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Kieron Williams. Leader of the Council	

FOREWORD - COUNCILLOR KIERON WILLIAMS, LEADER OF THE COUNCIL

Every year the cabinet reviews the borough's emergency plan to give us assurance that our arrangements to manage and respond to an incident are appropriate and effective. Put simply, in an incident, is Southwark ok?

The framework has been used throughout the response to the Covid pandemic supporting both our borough response and linking in with the London wide response. Whilst our experiences throughout the COVID-19 pandemic continues to influence our thinking we still have to maintain preparedness to the broad range of other incidents that have the potential to harm the borough.

Although the government have reduced the UK wide virus alert level, COVID-19 remains in general circulation. As a council and borough we must remain vigilant and prepared – and assurance on the generic emergency plan is key to that planning. As we move forward together as a community the lessons learned by ourselves and other organisations will further shape and develop the generic emergency plan. Protecting our local community and keeping residents, businesses and all those who visit our borough safe is a priority, a basic moral duty and one in Southwark that together we will always put first.

RECOMMENDATIONS

That the cabinet:

1. Agrees the annual review of the generic borough emergency plan with the understanding that further lessons from both the response to COVID-19 and other incidents will continue to be incorporated into future learning and planning.
2. Agrees that updated councillor briefing sessions are put in place to inform both existing and new councillors of their role in emergency planning and to inform future development of incident management.

3. Note 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. 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.

BACKGROUND INFORMATION

5. The council has clear legal and moral obligations to provide effective, robust and demonstrable emergency arrangements to mobilise its resources at short notice to deal with a broad range of incidents. This may be on a localised departmental level where a simple out-of-hours activity is required, or on a much larger scale, where a multi function response requires dedicated coordination, liaison and communication. In either case, high quality planning provides the foundation for this flexible response, whatever the initiating event may be.
6. The generic plan, attached as appendix A, is being presented at this time to ensure that the organisation is satisfied that the annual review and post incident reviews of the plan and of the supporting plans/handbooks provide assurance that our arrangements are both appropriate and effective.
7. The generic emergency plan sets out the council's strategy for dealing with a broad range of incidents. It ensures that the local authority is meeting its moral responsibility to the community and as a designated Category 1 responder it is meeting legal obligations in accordance with the Civil Contingencies Act 2004.
8. The London Borough of Southwark Generic Emergency Plan is available for public view and outlines the structure of the council's response in the event of an emergency.
9. The Civil Contingencies Act, 2004, requires that emergency plans are in situ and recommends they be reviewed annually. To ensure the overall generic plan remains effective each supporting hand book and specific individual plans are reviewed on a regular basis. This ensures Southwark Council's moral and legal compliance to maintain our reputation of good practice and to capture additional response capability.
10. Detailed operational procedures are not captured in the generic emergency plan due to the complexity and occasional sensitive nature; they are captured in the supporting handbooks.

KEY ISSUES FOR CONSIDERATION

11. Southwark has in place a generic emergency plan which sets out the framework that is used to deploy and control its resources during

emergency incidents. The framework within the plan is flexible enough to be adapted dependent on circumstances but sufficiently structured to allow the same principles to be employed for all incidents which in turn gives a better understanding of specific responsibilities and roles.

12. During our response to Covid 19 the plan has been activated in response to the differing needs at the time. It has provided the structure to coordinate and support the delivery of our critical services both during the initial outbreak, the subsequent waves and into the renewal phase. The arrangements were found to stand up well and have been adapted to utilise remote ways of working whilst maintaining the overall framework.
13. The purpose of cabinet agreeing this plan on an annual basis is so that the council can be satisfied the generic plan provides a simple but robust framework that enables the council to respond to emergency incidents affecting the borough. It is also so that the council is satisfied that our arrangements meet pan-London requirements and that our arrangements effectively align with other boroughs ensuring an effective cross-London response if and as required.
14. Agreeing the plan will enable the council to effectively deploy its resources to mitigate the effect of any incident and facilitate the return to normality for local residents, businesses and the community more generally.
15. The arrangements detailed in the plan also support the deployment of London Local Authority Gold (LLAG). It also gives due regard to the requirements detailed in the pan London Concept of Operations for Emergency Response and Recovery document (ConOps).
16. The overarching generic plan is supported by a range of supporting handbooks that cover specific roles integral to the effective management of emergency incidents and a further raft of individual plans covering identified risks that reflect the National Risk Register, the London Risk Register and local Risk Register.

Ongoing learning to inform emergency and business continuity planning

17. In May 2018 the Leader of the council took responsibility for Emergency Planning and Business Continuity with the emergency planning and resilience section becoming part of the Chief Executive's Departmental operations. This ensures that an organisational response to incident can be swiftly deployed and effectively managed with limited impact on 'business as usual' activities during the period of an incident and into recovery.
18. Whilst the framework of our plan has been used to good effect it will continue to evolve reflecting lessons learned and best practice from within and outside of London, including – in recognition of the international nature of our borough - learning from other global cities where appropriate.
19. Our own Business Continuity planning process is subject to ongoing review

and revision incorporating the experiences from our COVID 19 response and renewal phases continuing to strengthen our own resilience and emergency response capability.

20. The generic plan already contains the recommendations contained in the Riordan/Ney report and supports the Resilience Standards for London contained in the Sean Ruth report. Compliance with the Resilience Standards is regularly peer reviewed in conjunction with the other members of the Central Sub Regional Resilience Forum.

Role of councillors

21. In line with the both the Riordan/Ney and the Sean Ruth reports lead elected members received a briefing on the generic emergency plan and the Borough emergency scheme on 1st December 2020. Following updates to Cabinet and Opposition portfolios at the annual general meeting of Council Assembly, further briefings will take place to ensure councillors have the most up to date position on emergency scheme arrangements, especially in the light of the ongoing pandemic.
22. Guidance on the role of councillors is also set out in London wide planning documents, as part of the London Resilience Framework and approach to consistent standards in emergency planning across the city.
23. Briefings will include new member induction and training on the role of Councillors during an event which invokes the Council's Business Continuity response

Policy framework implications

24. Our Southwark Stands Together pledges underpin the core values of our developing Borough Plan looking beyond 2022 to support the vision to build a better future for the people of Southwark by creating a fairer and more just society, deliver quality affordable homes, tackle the climate emergency, rebuild the local economy and give or young people the best start in life. Covid-19 has had significant impact on the borough and responding to and recovering from the pandemic will require working together with all in our community. This will include having a robust emergency plan in place with supporting arrangements not only meets important statutory duties in relation to Civil Contingencies Act 2004 but moreover supports our aim for a borough where everyone has the right to feel safe and be safe.

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

Community impact statement

25. The Civil Contingencies Act 2004 (CCA) requires each Category 1 responder to put in place plans deal with emergencies. As a Category 1 responder the council must ensure that its arrangements are robust, agile and able to respond to the differing needs of the community in any single

incident (or multiples of incidents).

Equalities (including socio-economic) impact statement

26. In activating arrangements, either in response to an incident or through recovery, the council is mindful of its commitments for equality and fairness and in ensuring that no group is detrimentally impacted as a result of actions arising from emergency response.
27. As with other plans and strategies, the council will give due consideration to the Public Sector Equality Duty (PSED) as a positive duty to in assessing our local emergency planning response arrangements. For example, in setting up Humanitarian Assistance Centres (and other such centres) the council will be mindful of access and other such equalities considerations to ensure that all individuals affected by an incident are given equal opportunity for support (e.g. providing support where language is a barrier in communications).
28. The council's commitment to equality and fairness is fundamental to the development of the Borough Generic Emergency plan, in line with our equality framework and related equality, diversity and inclusion policies as influenced by our Southwark Stands Together programme

Climate change implications

29. Whilst the operating framework contained in the generic emergency plan has no direct impact on climate change, any actions required arising from its activation would need to be considered against their impact on climate change.

Resource implications

30. A broad range of facilities and equipment are in place to support any emergency response. These include:
 - A fully equipped Borough Emergency Control Centre (BECC).
 - A fully equipped Alternative Borough Emergency Control Centre (ABECC).
 - The technical equipment and ability to operate a fully remote BECC
 - A general use van to assist in emergency operations.
 - A range of rest centre equipment including a stock of PPE
 - An ongoing pan London MOU with British Red Cross to support staffing and equipment provision in rest centres.
 - Nominated rest centres within the borough (usually schools, leisure centres and halls).
 - Tools and equipment associated with specific council services.
 - A range of communications & data infrastructure and equipment.

Legal implications

31. The Civil Contingencies Act 2004 (CCA) requires each Category 1 responder to put in place plans deal with emergencies. As a Category 1 responder the council is required to co-operate and liaise with a broad spectrum of stakeholders in the planning process. The Southwark Borough Resilience Forum (BRF) provides the opportunity to liaise and interact with these parties on a regular basis. Outcomes from this regular liaison informs the review and revision of the generic emergency plan.

Financial implications

32. The resources identified above are all in place. There are no additional financial implications arising from agreement of the plan.
33. Given the unpredictable nature in which emergency incidents can arise, it may be that responding to some incidents will require additional resources to ensure an effective, efficient and safe response for residents and businesses in the borough. The council will seek to deploy resources as best appropriate in this instance and would seek additional support from central government and other such bodies where this was felt to be appropriate to the scale of incident.

Consultation

34. The generic emergency plan is agreed annually and published on the website, in line with the council's values with regards openness and transparency. Feedback received on the plan and associated arrangements will be taken into account when re-assessing and refreshing the plan each year.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Governance

35. Cabinet has the power to make this decision under Part 3C of the constitution.
36. As detailed in this report, pursuant to the Civil Contingencies Act 2004 schedule 1, Southwark as a category 1 responder has statutory responsibility for emergency planning
37. The decision maker needs to have regard to the PSED when making this decision.

Director of Finance and Governance

38. The report is requesting the cabinet to agree the annual review of the generic borough emergency plan.
39. The strategic director of finance and governance notes the resource implications in the report and notes that there are no additional financial implications arising from the report

APPENDICES

No.	Title
Appendix 1	Southwark Generic Emergency Plan 2022-2023

AUDIT TRAIL

Cabinet Member	Councillor Kieron Williams, Leader of the Council	
Lead Officer	Althea Loderick, Chief Executive	
Report Author	Andy Snazell, Emergency Planning and Resilience Manager	
Version	Final	
Dated	7 July 2022	
Key Decision?	Yes	
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		7 July 2022

Item No. 17.	Classification: Open	Date: 18 July 2022	Meeting Name: Cabinet
Report title:		Tustin Estate Low Rise Redevelopment Programme (Phase 1) Demolition and Enabling Works	
Ward(s) or groups affected:		Old Kent Road	
Cabinet Member:		Councillor Darren Merrill, Council Homes and Homelessness	

FOREWORD - COUNCILLOR DARREN MERRILL, CABINET MEMBER FOR COUNCIL HOMES AND HOMELESSNESS

This report details the funding requirements for the enabling and demolition works in Phase 1 of the Tustin Estate Low Rise Redevelopment Programme. Even though this is a dry business-like report detailing the progress and requirements to undertake this project, what this represents is life changing for the residents of the Tustin Estate and the wider area.

After years of working with residents who lead the project, giving up their time and expertise, and after a successful ballot process in 2021, the cabinet approved the procurement strategy to appoint a developer for the scheme to translate the residents’ vision into reality with Phase 1 delivering high quality replacement council homes, which are much needed in the area and will transform residents’ lives.

This report is the starting gun to what will be the transformation of a much-loved Estate, bringing the estate into the modern world and providing state of the art council homes that will give our residents secure, safe, warm homes to bring their families up in.

In the autumn I will bring a cabinet report that will set out the full Development Agreement. There is still a long way to go to complete the vision and I wish to thank residents for their work and time to get us to this stage.

RECOMMENDATIONS

That cabinet

1. Approves a further variation to the Housing Investment Programme for funding of up to £4,633,000 to undertake enabling works and demolition for Phase 1 of the Tustin Estate Low Rise Redevelopment Programme.

2. Notes that the decision to award the enabling works and demolition contract will be taken by the Strategic Director of Housing and Modernisation as a Chief Officer Decision, in accordance with the council's Contract Standing Orders.
3. Notes that a future cabinet report will request budget approval for the delivery of the overall scheme and for entry into a Development Agreement.

BACKGROUND INFORMATION

4. The Tustin Estate Low Rise Redevelopment Programme is the outcome of a resident-led investment decision into the low rise homes on the Tustin Estate following a feasibility process and a resident ballot in March 2021.
5. In July 2021, cabinet approved the delivery programme and a further variation to the Housing Investment Programme for funding of up to £14.24m to achieve planning consent, procure a developer through a Pre-Construction Services Agreement, acquire leasehold interests and provide tenant home loss and disturbance payments.
6. The programme comprises:
 - Demolition of 251 homes (200 council rented and 51 leasehold).
 - Construction of an estimated 690 homes including 200 replacement council homes, 243 additional affordable homes including council homes and keyworker homes, 27 shared equity homes and 220 homes for private sale.
 - Refurbishment of 18 council homes in Manor Grove.
 - Development of a new park in the centre of the estate.
 - Demolition and replacement of Pilgrims' Way School.
 - Construction of new commercial spaces.
7. The new council homes included within the programme are being delivered as part of the council's commitment to build 11,000 new council homes by 2043.
8. The programme will be delivered in four phases. Phase 1 will deliver 167 replacement homes for existing council tenants and resident leaseholders. Works in Phase 1 are planned to start in late September 2022 and expected to complete in early 2025. Later phases will deliver additional council homes, keyworker homes and private sale homes, as well as the replacement primary school and new commercial spaces. Completion of the whole scheme is currently expected in summer 2030.
9. A planning application was submitted in March 2022, requesting detailed consent for Phase 1 and outline consent for Phase, 2, 3 and 4. Determination is expected in July 2022.
10. The scheme has been allocated Greater London Authority (GLA) grant funding which is subject to the construction works starting by the end of

September 2022.

11. The cabinet agreed the procurement strategy for a delivery partner in July 2021, approving the use of a two-stage procurement process using the Pagabo framework. The two-stage process comprises of a Pre-Construction Services Agreement (PCSA) to deliver pre-construction services, followed by a Development Agreement for the delivery of the scheme including the construction works. The council has the option to enter into the Development Agreement subject to successful completion of the PCSA.
12. The PCSA was awarded to BY Development (trading as Linkcity) which is the development arm of construction firm Bouygues UK. The construction works will be delivered by Bouygues UK. BY Development are performing well. There have been no delays or overspend.
13. As part of the scope of the PCSA, Bouygues will obtain prices for work packages from suppliers and sub-contractors on an open book basis. The council's appointed Quantity Surveyor will review and approve these costs. The open book process is currently ongoing and final costs are expected to be obtained by the end of August 2022.
14. In order to meet the target start on site date, enabling works and demolition, which form part of the scope of the Development Agreement, are now required to be brought forward.

KEY ISSUES FOR CONSIDERATION

15. A further variation to the Housing Investment Programme for funding of up to £4,633,000 is now required to deliver enabling works and demolition in Phase 1 of the scheme.
16. The works include site hoardings, site set up, utility diversions and disconnections, asbestos removal, demolition of Hillbeck Close and Ullswater House, and piling design. These works will enable contract mobilisation to allow the construction works in Phase 1 to begin in line with the target start on site date required for GLA grant funding.
17. The enabling works and demolition contract is expected to be awarded through a Chief Officer Decision, in accordance with the council's Contract Standing Orders.
18. A future cabinet report is expected in September to request budget approval for the delivery of the overall scheme and to enter into the Development Agreement.

Policy framework implications

19. The scheme will deliver 200 replacement council homes, an additional 243 affordable homes including council homes and keyworker homes and 27

shared equity homes. Phase 1 will deliver 167 homes for existing residents of the estate. Delivering the enabling works and demolition is a critical step towards delivering the redevelopment voted for by a majority of eligible residents in the resident ballot in March 2021.

20. The programme will contribute towards the 2020-22 Borough Plan commitments to deliver 11,000 new council homes by 2043.

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

Community impact statement

21. Residents voted in favour of the redevelopment programme in a residents' ballot in March 2021. The scheme has been progressed in line with the council's Landlord Offer commitments and with the Tustin Resident Manifesto.
22. Delivery of the enabling works and demolition is a crucial step towards meeting the council's commitment to the result of the ballot in which residents voted in favour of redevelopment. This will help to deliver high quality replacement council homes, additional homes and community facilities.
23. Since being appointed in November 2021, the developer has attended monthly Resident Project Group meetings and has taken part in estate 'walkarounds' to better understand residents' needs and concerns about construction. The council will ensure that the developer continues to consult extensively with residents on site management through the established resident consultation structure including the monthly Resident Project Group meeting, the monthly Tustin Community Association meeting, regular drop-in sessions, the Tustin newsletter and noticeboard boards. Residents may experience some disruption during the enabling works. These impacts will be mitigated as far as possible by working closely with residents and ensuring effective communication.

Equalities (including socio-economic) impact statement

24. Section 149 of the Equality Act, lays out the Public Sector Equality Duty 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 commits the council to ensuring that equality is an integral part of all activities.
25. The Tustin Estate Low Rise Redevelopment Programme has been developed in line with the council's Southwark Stands Together (SST) programme, a borough wide initiative in response to the injustice and racism experienced by Black, Asian and minority ethnic communities and to the

inequalities exposed by COVID-19 pandemic.

26. A full Equalities and Health Impact Assessment (EHIA) was completed in December 2020. This was updated in March 2022 on the basis of the planning application (Appendix 1).
27. The EHIA found that the majority vote in the residents ballot in combination with the scheme's potential to provide improved living conditions, housing quality, accessibility, public realm and community facilities presents a compelling case that the redevelopment is in the public interest. The EHIA sets out the potential risks and how the council has sought to mitigate these risks through a range of measures focused on engagement, rehousing assistance and compensation options.
28. The redevelopment programme is informed this assessment and the enabling works and demolition will be delivered in accordance with the action plan in the assessment.

Health impact statement

29. The EHIA (Appendix 1) sets out how the redevelopment programme has the potential to contribute to improved health outcomes for existing and future residents and to help tackle health inequalities through improved living conditions and improved public realm and green space. The report also sets out a number of risks related to health including the environmental effects of demolition and construction which the council is seeking to mitigate through effective planning of the works and considerate construction impacts.
30. The Tustin redevelopment has been selected by Arup, as part of a project funded by the Urban Health Initiative, to become an exemplar construction development in tackling of air pollution and improving air quality. This includes setting a target for a 30% reduction in emissions from Non-Road Mobile Machinery. Arup designed a quality question focused on emissions during the construction phase that was included in the tender process. The developer has made a commitment in their bid to meet this target.
31. A draft Construction Management Plan has been developed which sets out how the site will be managed during demolition and construction and how health and safety risks will be minimised. Residents are being consulted on all elements of this plan before it is finalised.

Climate change implications

32. The scheme has been designed to minimise carbon emissions as far as possible. The construction of the overall scheme is expected to deliver a 94% on site carbon emissions saving. The climate change implications of the main construction works will be considered in a future cabinet report to enter into the Development Agreement.
33. During the enabling works phase, emissions will be controlled through the

target of a 30% reduction in emissions from Non-Road Mobile Machinery.

Resource implications

34. To fund the required works, a further variation to the Housing Investment Programme for funding of up to £4,633,000 is requested.
35. There are no additional staffing implications. Staffing needs will be met through existing structures.
36. External project management and Quantity Surveyor services have been appointed to support the delivery programme which are resourced from existing budgets.
37. The resource implications of the delivery of the overall scheme will be considered in a future Cabinet Report to approve the financial plan and enter into the Development Agreement.

Legal implications

38. The legal implications of the enabling works and demolition are set out in the supplementary advice of the Director of Law and Governance.

Financial implications

39. A further variation to the Housing Investment Programme is requested for funding of up to £4,633,000.
40. This cost is expected to be incurred in 2022/23 and 2023/24.
41. These costs will be funded from resources supporting the Housing Investment Programme.

Revised budget approval

Present approval	£14.84m
Variation	£4.63m
Total estimated costs	£19.47m

Spend profile of the total scheme costs

	Previous years spend	2022/23	2023/24	2024/25	Total
Scheme costs	£3,007,515	£9,753,981	£3,211,567	£3,089,937	£19,063,000
Client contingency	£0	£410,000	£0	£0	£410,000
Total	£3,007,515	£10,163,981	£3,211,567	£3,089,937	£19,473,000

Consultation

42. The redevelopment programme is the outcome of a resident led feasibility and options programme carried out between July 2019 and March 2021, culminating in the Landlord Offer and a resident ballot in March 2021. There has been ongoing consultation with residents on all elements of the scheme through the monthly Resident Project Group meeting, the monthly Tustin Community Association meeting, design meetings, regular drop-in sessions and the monthly Tustin newsletter.
43. Consultation on the developer tender process took place with the Tustin Resident Project Group and the Tustin Community Association. Residents were members of the evaluation and interview panel and took a prominent role in evaluating submissions.
44. The council will ensure that the developer continues to consult extensively with residents on site management through the established resident consultation structure including the monthly Resident Project Group meeting, the monthly Tustin Community Association meeting, regular drop-in sessions, the Tustin newsletter and noticeboard boards.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Governance

45. This report sets out the rationale for seeking additional Housing Investment Programme funding of up to £4,633,000 to undertake the enabling and demolition works in Phase 1 of the Tustin Estate Low Rise Redevelopment Programme. On approval of this additional funding by cabinet, a separate approval via a GW2 report will be sought from the Strategic Director of Housing and Modernisation to bring forward the enabling and demolition works for the reason set out in paragraph 14 of this report.

Strategic Director of Finance and Governance (H&M 22/039)

46. This report is seeking cabinet approval for a variation to the Housing Investment Programme for funding of up to £4,633,000 to facilitate enabling works and demolition in Phase 1 of the Tustin Estate Low Rise Redevelopment Programme. As noted in the report, the works have been brought forward to allow the construction works in Phase 1 to begin in line with the target start on site date required for GLA grant funding. The Strategic Director of Finance and Governance notes that a further report to Cabinet is expected in September seeking budget approval for the delivery of the overall scheme.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Tustin Estate Low Rise Re-development Delivery Programme	Constitutional Team / Tooley Street	Paula Thornton Paula.thornton@southwark.gov.uk
Link (please copy and paste into browser): https://moderngov.southwark.gov.uk/mglIssueHistoryHome.aspx?Ild=50025098&optionId=0		

APPENDICES

No.	Title
Appendix 1	Equality and Health Impact Assessment, 21 March 2022

AUDIT TRAIL

Cabinet Member	Councillor Darren Merrill, Council Homes and Homelessness	
Lead Officer	Managing Director, Southwark Construction	
Report Author	Susan du Toit, Southwark Construction	
Version	Final	
Dated	6 July 2022	
Key Decision?	Yes	
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		6 July 2022

Item No. 18.	Classification: Open	Date: 18 July 2022	Meeting Name: Cabinet
Report title:		Gateway 1 - Procurement Strategy Approval Contractor Partner for delivery of new council homes, private homes and commercial space on Old Kent Road	
Ward(s) or groups affected:		Old Kent Road	
Cabinet Member:		Councillor Darren Merrill, Council Homes and Homelessness	

FOREWORD – COUNCILLOR DARREN MERRILL, CABINET MEMBER FOR COUNCIL HOMES AND HOMELESSNESS

In 2020 the council bought the freehold to a plot which currently houses PC World and B&M supermarket, with the ambition that this land would provide council homes that are much needed for our residents. At present the land is under used and the council has a purposed scheme which will deliver 180-190 council homes. This Gateway 1 details the procurement process to find a partner to deliver these 2 sites with high quality homes for local people. As well as replacement business space and private homes to help with the funding of the council homes we so desperately need.

The council will retain the freehold and will lease back the council homes and the commercial space meaning these homes will be under the control of the council and will help meet our target of 11,000 Council homes by 2043. The planning application is due to be submitted in 2024 and the council is committed to work with local residents and business to make sure this development meets the housing and business need in this location.

RECOMMENDATIONS

1. That the Cabinet approve the procurement strategy outlined in this report for the appointment of a partner to deliver the new council homes development on the PC World and B&M Supermarket site on the Old Kent Road via the Greater London Authority’s (GLA) London Developer Panel 2 Framework (LDP2) or its replacement for a period of five years, commencing on 29 November 2022.
2. That the cabinet delegates to the Strategic Director of Housing and Modernisation in consultation with the Cabinet Member for Council Homes and Homelessness the contract award for the partner for delivery of new council homes, private homes and commercial space on Old Kent Road for the reasons noted in paragraph 26.
3. That the cabinet delegates to the Director of Planning and Growth in

consultation with the Head of Property the grant of a building lease(s) for the partner for delivery of new council homes, private homes and commercial space on Old Kent Road.

BACKGROUND INFORMATION

4. During 2019/20 the council bought the freehold of the PC World and B&M Supermarket sites on the Old Kent Road to deliver new council homes.
5. Southwark Council has the ambitious target of building 11,000 new council homes by 2043.
6. This scheme will provide around 180-190 new council / affordable rental (key workers) homes. Southwark has over 15,000 households on its housing waiting list, and these new homes are desperately-needed by our residents.
7. In addition, the proposed scheme includes private homes, class E commercial space and class F learning and community space. The use classes will allow flexible use meaning it can be used for different uses without the need for further planning permission.
8. The council considered its options at the Housing Delivery Board on 13 July 2021, which supported the decision to partner with a constructor. This is the best way to deliver new council homes that will contribute towards the 11,000 homes target.
9. The two sites will be delivered under a singular development agreement with a partner.
10. The council proposes to grant a long lease of the site to the partner and take a lease-back of the council housing and commercial space once delivered. The council will retain the freehold of the site.
11. The council will utilise the sale of the site leasehold and receipt of GLA grant (Affordable Homes Programme 2021-2026), but Housing Investment Programme funding may be required to meet some of the delivery costs of the homes and commercial space, the viability of which will be assessed pre tender.
12. A planning application will be submitted by the partner with a view to works starting on site in 2024. These timings are aligned to the release of the current lease agreements that are currently in existence.

Summary of the business case/justification for the procurement

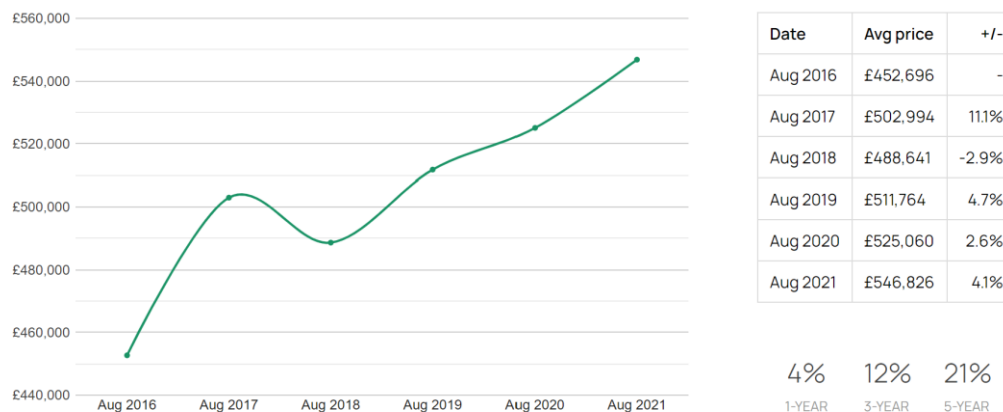
13. This scheme is part of the Old Kent Road regeneration programme. The driving force behind the Old Kent Road regeneration is the need to build new housing for people of all incomes.
14. The proposed scheme will deliver circa 50% (by habitable room) council

homes (social rent or key worker) which can be allocated to Southwark residents in housing need, possibly with some key worker housing for local people. This will help reduce the current cost of temporary accommodation to the council. The planning process measures the amount of affordable housing by habitable rooms, with larger homes having more habitable rooms than smaller ones. This approach means that the council can deliver more of the family sized homes as council homes, to better address housing need in Southwark.

Market considerations

15. The Old Kent Road is attracting a lot of interest from developers because of the plan to extend the Bakerloo Line. The area is perceived by the development market as being one of growth, due to the planned transport link improvements and, despite the recent pandemic, house prices have remained relatively stable. Source - PropertyData.co.uk. If the extension were to proceed the council would likely see a Public Transport Access Level rating improvement (PTAL is a measure of access to the public transport network).

5-year price growth



KEY ISSUES FOR CONSIDERATION

Options for procurement route including procurement approach

16. **Do nothing** - This is not an option as the council has made a commitment to submit a planning application for this site, to deliver homes as part of an 11,000 new council homes commitment.
17. **Direct Delivery** - Although this option could work, getting a contractor partner on board is considered a better balance of risk.
18. **Procure through Public Contracts Regulations route** – This is not an option as the length of the process would likely take longer and would result in a delay in delivering homes. Further, all time extensions to programmes will only mean that costs will continue to rise over that extended period and further the site

would become unoccupied and warrant further risk of problems and anti-social behaviour or similar.

19. **Use an existing third-party framework (contractor)** – This is not an option as the council want the experience of a developer for a mixed use scheme of this scale, and this would cost the council more as the council would have to pay for the whole of the development, and the council is exposed to greater risk and it would put a greater strain on the borrowing capacity of the council.
20. **Use of an existing third-party framework (developer). Options include:**
 - **GLA's London Developer Panel 2 (LDP2) Framework** –This framework is a single-lot framework of 29 well established developers, house builders, contractors and Registered Providers of Social Housing (RPs). Projects are bid under the framework using a mini-competition. The council must enter into an access agreement with GLA. This framework is specifically for developments in London. This framework will end in August 2023. There are no fees and charges.
 - **Pagabo Developer Led Framework** - This framework has nine lots and there are six developers in the relevant lot. This framework will run until April 2026. It is perhaps more flexible than the GLA framework and focused on partner working, however, it has fewer developers than the GLA framework, and is a national framework rather than just for London. There is a charge to use (a one off charge of £150k and 1% of the construction cost).
 - **Scape Construction framework** - This framework has two potential partners in the relevant lot, Mace Construction and John Sisk and Sons. There is a limited number of developers. There are no fees and charges.

Proposed procurement route

21. The proposed procurement route is a mini-competition process via the GLA's LDP2 Framework, as described above. The council is required to enter into an access agreement to use the framework.
22. The attraction of using the panel to procure a partner, from the council's perspective, is access to developers procured in a competitive environment, with experience of the London market. For the panel members, partnering with a council (or other public body) often negates the need to purchase the site upfront. By leasing the site from the council and delivering affordable homes in lieu, the developer has saved the capital and interest costs associated with a freehold land purchase.
23. The developers and contractors on this framework are:
 - A2 Dominion
 - Be Living
 - Bellway
 - Berkeley Group

- Barratt
- Catalyst
- Countryside
- Durkan
- Engie Consortium (Engie, HUB and Delancey)
- Vistry Partnership Ltd (formerly Galliford Try Partnerships Ltd)
- Hadley Property Group
- Higgins
- Hill
- Hyde
- Lendlease
- London & Quadrant Housing Trust
- Morgan Sindall Consortium (Morgan Sindall, Muse and Lovell)
- Native Land
- Notting Hill Genesis
- Optivo
- Peabody
- Pinnacle Group
- Prospect House Consortium (Stanhope, Network Homes and Laing O'Rourke)
- Quintain
- Redrow
- Swan Igloo Consortium (Swan Housing Association and Igloo)
- Telford Homes
- U + I
- United Living.

24. The council has carried out soft market testing and developers are interested in this project.
25. Once tenders are received the council will have an interview process to clarify the tenders and final clarifications to derive best value for money. This is permitted under the framework.
26. This report recommends to cabinet that the gateway 2 contract award for the partner is delegated to the Strategic Director of Housing and Modernisation in consultation with the Cabinet Member for Council Homes and Homelessness. This will avoid delay to the award of the contract.

Identified risks for the procurement

Risk No.	Identified Risk	Likelihood	Risk Control
1	Partners not interested.	Low	The project is large enough. The external Project Manager did soft market testing. This opportunity has been added to the GLA's site pipeline which the panel can see and interest has already been received by the Council.
2	Challenge based on the framework used.	Low	Framework is fully compliant.
3	Does not achieve competitiveness and value for money.	Low	Competitive bidding will be used. We will compare with what our current programme is delivering.
4	Partner becomes insolvent or no longer has the capacity to deliver scheme.	Low	Developers will be asked how they are funding the project and their detailed proposals for delivering the project. Credit checks have already been undertaken as part of the framework. Credit checks will be made prior to award.
5	Delays and additional costs caused by Covid, BREXIT and the Russia-Ukraine war.	Medium	Bidders will be asked for a response to Covid, BREXIT and the Russia-Ukraine war. The council will keep cost under review and report at gateway 2.
7	Developers don't think the project is viable to them.	Medium	The council will consider options to secure council homes from the site.
8	Presence of existing buildings and timescales may impact.	Medium	The council will carry out and programme intrusive surveys and investigations, giving tenderers detailed information on existing site conditions.

Key / Non Key decisions

27. This report deals with a key decision.

Policy Framework Implications

28. The Old Kent Road Area Action Plan is a new plan for the Old Kent Road and surrounding area. The development will be in conformity with the masterplan.

29. The council has made a commitment to be carbon neutral by 2030, and this application needs to seek to achieve this target.

30. Southwark Stands Together is a borough-wide initiative in response to the injustice and racism experienced by Black, Asian and minority ethnic communities, and to the inequalities exposed by COVID-19:

Procurement Project Plan (Key Decisions)

Activity	Complete by:
Enter Gateway 1 decision on the Forward Plan	26/07/2021
DCRB Review Gateway 1	06/09/2021
CCRB Review Gateway 1	16/06/2022
Brief relevant cabinet member (over £100k)	13/06/2022
Notification of forthcoming decision - Cabinet	10/07/2022
Approval of Gateway 1: Procurement strategy report	18/07/2022
Scrutiny Call-in period and notification of implementation of Gateway 1 decision	28/07/2022
Completion of tender documentation	29/07/2022
Closing date for Sifting exercise	19/08/2022
Completion of short-listing of applicants	26/08/2022
Invitation to tender	30/08/2022
Closing date for return of tenders	25/10/2022
Completion of any clarification meetings/presentations/evaluation interviews	08/11/2022
Completion of evaluation of tenders	22/11/2022
DCRB Review Gateway 2:	28/11/2022
CCRB Review Gateway 2	01/12/2022
Notification of forthcoming decision	05/12/2022
Approval of Gateway 2: Contract Award Report	13/12/2022

Activity	Complete by:
End of scrutiny Call-in period and notification of implementation of Gateway 2 decision	22/12/2022
Debrief Notice and Standstill Period (if applicable)	28/12/2022
Draft Development Agreement Execution	29/12/2022
Add to Contract Register	29/12/2022
Place award notice on Contracts Finder	29/12/2022
Contract start	01/04/2023
Contract completion date	31/03/2028

TUPE/Pensions implications

31. None.

Development of the tender documentation

32. Faithful+Gould is acting as the external Project Manager and will draft a tender pack, which will include the council's Employer's Requirements. The tender documents will further include a draft copy of the GLA's Development Agreement. The Development Agreement will provide the bidders with early sight, which will allow the developer to comment and issue contractual questions throughout the tender process.
33. The GLA Development Agreement reflects the standard GLA contract.
34. Bonds and Parent Company Guarantees are not stated under the GLA Development Agreement. However, Warranties are mentioned through the Agreement. Third parties to the Development Agreement will be required to enter the suggested Warranties, if and where applicable to the scheme.
35. Bonds or Parent Company Guarantees will be written into the contract to protect London Borough of Southwark from developer default. Other contractual mechanisms may be considered such as holding back land interest, which would provide a significant level of control and enforcement to ensure compliance with development obligations.

Advertising the contract

36. The tender will be issued via the council's platform ProContract.

Evaluation

37. The Most Economically Advantageous Tender assessment will be used. Quality will be weighted 40% and price will be weighted 60%. 10% of quality will be social value. The framework allows the council to vary the weightings.

38. The council will seek specialist advice to interrogate development models. Each bidder's tender will be assessed on residual land value and any additional council contribution that may be required. Assessments of the bidders financial tenders will compared against the LDP2 panel price scenarios, submitted by each panel member as part of their appointment to the framework, and they will be used as a benchmark, in addition to comparison with the council's appraisal. All tenders (price and quality) will be assessed using a pre-agreed scoring matrix, against a weighted criteria.
39. The Social Value Portal will be used.
40. The tender documents will include the tender evaluation criteria.
41. Consensus scoring and post tender clarifications will be used.
42. The quality and price scores are added together to give a total score. The tender with the highest combined score is recommended for award of the contract.

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

Community impact statement

43. Pre-application consultation to determine community impact will be run by the developer and council and undertaken with:
 - Local residents
 - Local businesses
 - Community review panel
 - Local schools and colleges.
44. The council is preparing an Equality Impact Assessment (EQIA) to understand the potential impact of the project on people with protected characteristics. This will be a living document to be submitted with a planning application.

Equalities (including socio-economic) impact statement

45. 50% affordable housing improves access to secure and high quality housing. 10% of all new housing is wheelchair accessible or easily adaptable.
46. The development will include new jobs. 10% of workspace will be affordable. There is a potential business boost for local businesses due to new residents.
47. Noise during construction can have an effect on people who stay at home. Construction and demolition work will be carried out within specified hours or with permission from the council and there will be monitoring during construction.

Health impact statement

48. New and affordable housing and new jobs will improve the health and wellbeing of people of all ages. Accessible housing and facilities will improve disabled people's health and wellbeing.

Climate change implications

49. The council are considering multiple strategies. Appropriate material options are being explored with our sustainability consultants encouraging use of local materials and suppliers where possible. Our designers are Passive House trained and aim to embed these principles in the design of our buildings to ensure the building fabric is of high performance. Although this development will not be certified in Passive House it will still benefit from design based on those principles. This, coupled with the use of more sustainable energy strategies that are being considered, will minimise the amount of energy used during the operation of the building, ensuring a long-term approach is considered. The council are currently developing our strategy further and can present our progress back at a later date.

Social Value considerations

50. The Public Services (Social Value) Act 2012 requires that the council considers, before commencing a procurement process, how wider social, economic and environmental benefits that may improve the wellbeing of the local area can be secured. The details of how social value will be incorporated within the tender are set out in the following paragraphs.

Economic considerations

51. The contract will maximise social value including employment, apprenticeships and utilising local suppliers.
52. The Section 106 planning targets are:
- One job lasting a minimum 26 weeks for an unemployed Southwark resident per 500sqm GEA.
 - One Southwark resident trained in pre- or post-employment short courses per 500sqm GEA.
 - One new apprenticeship start or in work NVQ per 2000sqm.

Social considerations

53. The council is an officially accredited London Living Wage (LLW) Employer and is committed to ensuring that, 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 this contract will result in quality improvements for the council. These should include a higher calibre of multi-skilled operatives that will contribute to the

delivery of works on site, more experienced staff and continuity of service provision resulting from reduced turnover of staff and will provide best value for the council. It is therefore considered appropriate for the payment of LLW to be required. The successful contractor 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.

54. The council can exclude companies who break the law by blacklisting from public contracts if they are either still blacklisting or have not put into place genuine actions concerning past blacklisting activities.
55. Where a company has been found to be using blacklisting, the council can require "self cleaning" which enables a potential contractor to show that it has or will take measures to put right its earlier wrongdoing and to prevent them from re-occurring and to provide evidence that the measures taken by the economic operator are sufficient to demonstrate it has:
 - (a) "Owned Up": clarified the facts and circumstances in a comprehensive manner by actively collaborating with the investigating authorities;
 - (b) "Cleaned Up": taken concrete technical, organisational and personnel measures that are appropriate to prevent further criminal offences or misconduct, and
 - (c) "Paid Up": paid or undertaken to pay compensation in respect of any damage caused.
56. The council will include a request for the necessary information from tenderers (using the council's standard documentation in relation to blacklisting). The council's contract conditions will include an express condition requiring compliance with the blacklisting regulations and include a provision to allow the contract to be terminated for breach of these requirements.

Environmental/Sustainability considerations

57. The scheme will aim to be net zero carbon. Environmental/sustainability considerations will be provided as part of the planning application.

Plans for the monitoring and management of the contract

58. The council's contract register publishes the details of all contracts over £5,000 in value to meet the obligations of the Local Government Transparency Code. The Report Author must ensure that all appropriate details of this procurement are added to the contract register via the eProcurement System.
59. Annual performance reports will be presented in line with the council contract standing orders.

60. Under the terms of the Development Agreement there will be procedures in place to monitor and input into the design and construction of the project. These will be undertaken by the appointed representative(s) of the London Borough of Southwark and Faithful+Gould. Other appointments can be made to cover additional monitoring as required.

Staffing/procurement implications

61. The Project Manager is responsible for the procurement processes. The council will seek external Project Manager and legal advice.

Financial implications

62. For construction (works) contracts, the council's end user status will be clarified in relation to Domestic Reverse Charge (DRC) in the Gateway 2 report and appropriate advice sought if necessary.
63. The estimated construction cost based on a detailed RIBA Stage 2 design is £218,000,000 including inflation for the entire scheme and will need to be revised and updated as the scheme progresses.
64. The council's contribution to the development will be the sale of the leasehold and GLA grant (Affordable Homes Programme 2021-2026), but funding from resources supporting the council's Housing Investment Programme may be necessary to meet some of delivery costs of the council homes and commercial space. Viability will be assessed taking into account the extent to which further funding from the council is required.
65. Within the current GLA funding programme (GLA Affordable Homes Programme 2021-2026), there is £165k grant for each social rent unit and £90k grant for each key worker unit and this project can be accommodated within the current grant allocation. To meet the grant conditions, the development will need to start on site by March 2026.

Investment implications

66. Please see concurrent from the Strategic Director of Finance and Governance.

Legal implications

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

Consultation

68. The scheme will be the subject of informal and formal public consultation as part of the planning process.
69. The consultation programme is being delivered over three stages aligned with the design process. Stage 1 and Stage 2 is already complete. Stage 1 gave an understanding of the local area and communities, raising awareness on the

project, building partnerships and informing the consultation and social value activities in Stage 2. Stage 2 was active consultation on the design scheme across all the areas of influence. The aims of Stage 3 would be to share the final outcomes of the consultation process with the local community and stakeholders, addressing any outstanding issues and concerns. The council will still be leading on the resident engagement process.

Other implications or issues

70. None.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Finance and Governance H&M (22/036)

71. This report is seeking Cabinet approval for the procurement strategy outlined in paragraphs 17 to 22 of this report to appoint a partner for the sites currently occupied by PC World and B&M Supermarket on the Old Kent Road. The development is intended to deliver new council homes as well as private homes and commercial space. There are no financial implications arising directly from the recommendations in this report, however should the procurement proceed to contract award, the council will contribute land and GLA grant funding to the development and it may be necessary to provide additional funding from resources supporting the council's Housing Investment Programme. Before any contract award is made a viability assessment will be undertaken once costs are known as outlined in the financial implications section of this report.

Head of Procurement

72. This report seeks approval from cabinet to appointment of a partner for delivery of new homes and commercial space on Old Kent Road via the Greater London Authority's (GLA) London Developer Panel 2 Framework (LDP2) or its replacement for a period of five years, commencing on 29 November 2022.

73. This report also seeks to delegate the award of the partner via a gateway 2 report to the Strategic Director of Housing and Modernisation in consultation with the Cabinet Member for Council Homes and Homelessness.

74. Cabinet notes the procurement route is detailed in paragraphs 12 to 22 and 28 to 38, the risks are detailed in paragraph 23, the impact on equalities, health and climate change is detailed in paragraphs 42 to 46, social value commitments are detailed in paragraph 49, confirmation of the payment of LLW is detailed in paragraph 50, the management and monitoring of the contract is detailed in paragraphs 55 to 57.

Director of Law and Governance

75. This report seeks the approval of the Cabinet to the procurement strategy for the appointment of a partner for delivery of new council homes, private homes and commercial space on Old Kent Road via the LDP2 framework as further detailed in paragraphs 1-3. As this decision relates to a strategic procurement, then the gateway 1 decision is reserved to Cabinet.
76. As the estimated value of this development agreement exceeds the Public Contract Regulations 2015 (PCR15) threshold then the procurement of this agreement is subject to the full tendering requirements of those Regulations. However as noted in paragraph 17, the proposed procurement strategy is to undertake a mini-competition through the GLA's LDP2 framework. This framework has been established following a PCR 15 compliant tendering process, and allows local authorities to use for their own requirements. The tendering requirements of the PCR15 are therefore satisfied by using this framework.
77. Cabinet is also asked to delegate the approval of the gateway 2 decision for the reasons noted in paragraph 22 to facilitate award of the development agreement.
78. 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. The Cabinet is specifically referred to the community, equalities (including socio-economic) and health impacts at paragraphs 40-46 setting out the consideration that has been given to equalities issues which should be considered when approving the recommendations in this report.

Director of Exchequer (For Housing contracts only)

79. None.

BACKGROUND DOCUMENTS

Background Documents	Held At	Contact
None		

APPENDICES

No	Title
None	

AUDIT TRAIL

Cabinet Member	Councillor Darren Merrill, Council Homes and Homelessness	
Lead Officer	Michael Scorer, Strategic Director of Housing and Modernisation	
Report Author	Cat Janman, Project Manager	
Version	Final	
Dated	4 July 2022	
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
Director of Exchequer (For Housing contracts only)	No	No
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		4 July 2022

Item No. 19.	Classification: Open	Date: 18 July 2022	Meeting Name: Cabinet
Report title:		Gateway 2 - Contract Award Approval for the Borough's tree works programme	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Catherine Rose, Parks, Streets and Clean Air	

FOREWORD – COUNCILLOR CATHERINE ROSE – CABINET MEMBER FOR PARKS, STREETS AND CLEAN AIR

The management of trees forms a key part of our broader approach to tackling the climate emergency agenda. They form a significant part of Southwark's landscape and in addition to their environmental benefit they also impact on the quality of life of local residents. Maintaining trees safely is a key priority for the council and deemed essential in maximizing public safety, ensuring Southwark meets its duty of care obligations and managing corporate exposure to risk.

We manage 82,000 trees and are proud of Southwark's commitment to the "green agenda" and aspire to delivering an innovative and a fit for purpose service in this area which is both resilient, value for money and sustainable over the long term.

The proposed service combines a new strong, single in-house tree team leading on strategic policy, oversight and delivering tree works directly and through external suppliers, ensuring both upkeep and renewal of our tree stock remain at the forefront of what we do. We have a responsibility to develop a long-term service model that allows us to be flexible and responsive mitigating the risk of future works backlog.

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. Opportunities exist to secure a skill base and investment in partnership with contractors, within the borough to help support the local economy and wider demand for skilled tree personnel.

We have a stated ambition to plant more trees to meet the priorities and concerns of our residents, businesses and other stakeholders that care passionately about the environment in their local neighbourhood, parks, woodland and wider borough. The recommended approach secures our ability to work with volunteers and local area groups to identify, develop and deliver more tree planting across our borough and work to improve the levels of tree canopy cover

in our streets and roads, whilst also strengthening and enriching the bio-diversity and density of trees in our parks and green spaces.

RECOMMENDATIONS

1. That the Cabinet approves the award of the Southwark Arboricultural Maintenance Contract in three lots commencing on 03 October 2022 for an initial duration of four years at an estimated cost of £6,953,403 with an option for the council to extend for up to two further years at a cost of £3,476,702 making the total contract value of £10,430,105 if the two years extension is exercised to;
 - Lot 1 (North) – CSG Ushers Ltd (Tenderer A)
 - Lot 2 (Central) – Glendale Countryside Ltd (Tenderer B)
 - Lot 3 (South) – Glendale Countryside Ltd (Tenderer B)

BACKGROUND INFORMATION

2. This Gateway 2 Contract Award Approval Report relates to the Gateway 1 Procurement Strategy Approval Report for the Borough's Tree Works Programme that was approved by Cabinet on 7 December 2021 (see background documents).
3. The Gateway 1 report and the corresponding Gateway 0 report (see background documents) approved the retention of the in-house tree maintenance team and proposals to combine it with the in-house client team, to form a single, cohesive and comprehensive in-house team to manage the Borough's significant tree stock.

Statutory and legal requirements

4. 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.
5. 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.
6. 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.

Summary of the business case/justification for the procurement

7. As detailed above in paragraph three, in July 2022 the tree client team and works team (formally Environment) were merged under the Leisure directorate following the requisite period of consultation with staff and unions.
8. As set out in the corresponding GW1 paper, since 2018 the borough has externally procured the majority of tree maintenance work in support of work programmes issued internally to Southwark's in-house team. Previously this was undertaken through the gateway process and is currently processed through a framework arrangement managed by public sector procurement specialists Exceeding/Constellia via separate gateways in November 2021.
9. The framework has been a successful mechanism for delivering the completion of backlog works in the interim period, however it was not available at the time the corresponding GW1 paper was drafted therefore it has not been considered for use in a business as usual climate.
10. The newly combined tree service will continue to process emergency, high risk and ad hoc works and service a routine maintenance insurance mitigation programme borough-wide delivering high quality outcomes for the borough's residents, businesses and visitors.
11. The supporting tree maintenance contracts will replace the programmes currently procured under the framework arrangement in order to process the majority of work produced by condition surveys and ad hoc inspections on an annual basis.

OPTIONS AND CONSIDERATION

12. In December 2021 the GW1 paper was approved by Cabinet with officers advertising the contracts through the contracts finder website and issuing an Invitation to Tender notice for the new contracts through the Procontract procurement portal in January 2022. The form of the contracts is described in paragraphs 14-23.
13. During the period of procurement it was decided to continue the issue of emergency and high risk works to the in-house tree team whilst utilising the framework to process high volume backlog works in order to manage risk in a descending hierarchy of priority (as outlined above in paragraphs 8-11).

Description of procurement

14. The contract form was agreed with a term of 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 contracts are performing well and meeting the desired outcomes.
15. As per the Gateway 1 report, the contract consists of three tree maintenance lots reflective of the three geographical areas; North, Central and South.
16. The contract(s) include the provision of an emergency call out service for contingency, storm events and business continuity purposes. However, the main service in this regard will continue to be provided by the in-house tree team and supplemented by the framework mechanism on an as required basis (see paragraph 19 for further detail).
17. Suppliers were able to bid for all three lots, however no single supplier shall be awarded more than two lots. Those bidding were able to express a preference for their preferred lot. This approach was chosen to provide choice for the market, and demonstrate whether best value for money can be achieved by suppliers having more than one lot ensuring a level of balance between achieving value for money and having a number of available suppliers is in place to manage capacity, risk and mitigate the potential for the build-up of backlog works. This approach is advantageous in providing optimum business resilience and contingency options.
18. This approach was sought to provide maximum flexibility for the market to attract smaller, local providers, as well as larger arboricultural firms. The main focus of external contractors will be undertaking work generated through planned tree inspections, covering various tree pruning operations. The work undertaken by the in-house team will cover tree felling, priority ad-hoc tasks, sensitive works, insurance cyclical pruning, stump grinding and emergency call outs.
19. In line with the Public Contract Regulations, and the corresponding GW1, utilisation of a framework agreement (Exceeding/Constellia) has been approved and will provide additional risk mitigation should a service failure occur. Originally the intention was to set up a framework agreement, however since drafting the GW1 report this previously unknown mechanism emerged and has already been put to use in processing backlog works.

Estimated contract value

20. Price estimates for external works were based on the costs of works being procured to deal with the tree works backlog programme back in 2020/21. At that time Brexit and COVID-19 were key considerations and contingency in this regard was built in.

21. Budget estimates were based on a combination of individual schedule of rate items (SOR's) multiplied by estimated frequencies, which in turn were based on their average use for the entire service over a three year period.
22. The financial estimates for the contract were that each of the three lots, north, central and south of the borough were approximately £500k pa in total.
23. Since the estimated lot values were calculated it has become apparent that costs associated with Brexit and the inflationary climate have fed through to the market and increased potential running costs for suppliers hence the differential between the above estimates and the tendered prices.

Key / Non Key decisions

24. This is a key decision.

Procurement project plan (Key Decision)

25. Table 1 – Procurement project plan

Activity	Completed by/Complete by:
Forward Plan (If Strategic Procurement) Gateway 2	31/05/2022
Briefed relevant cabinet member (over £100k)	16/06/2022
Approval of Gateway 1: Procurement Strategy Report	07/12/2021
Invitation to tender	24/01/2022
Closing date for return of tenders	07/03/2022
Completion of evaluation of tenders	06/06/2022
DCRB Review Gateway 2:	15/06/2022
CCRB Review Gateway 2:	16/06/2022
Notification of forthcoming decision – despatch of Cabinet agenda papers	01/07/2022
Approval of Gateway 2: Contract Award Report	18/07/2022
End of Scrutiny Call-in period and notification of implementation of Gateway 2 decision	01/08/2022
Standstill Period (if applicable)	10/08/2022
Contract award	10/08/2022
Add to Contract Register	12/08/2022
TUPE Consultation period (if applicable)	30/09/2022
Contract start	03/10/2022

Activity	Completed by/Complete by:
Publication of award notice in Find a Tender Service	12/08/2022
Publication of award notice on Contracts Finder	12/08/2022
Contract completion date	08/10/2026
Contract completion date – if extension(s) exercised	08/10/2028

KEY ISSUES FOR CONSIDERATION

Description of procurement outcomes

26. The key objectives identified in the procurement strategy will be delivered in lots as detailed below:
- Lot 1 (North) – CSG Ushers Ltd (Tenderer A)
 - Lot 2 (Central) – Glendale Countryside Ltd (Tenderer B)
 - Lot 3 (South) – Glendale Countryside Ltd (Tenderer B)
27. The contracts are JCT Term Service Contracts with minor amendments to suit Southwark arboricultural requirements to include a pricing schedule and other key documents.

Policy implications

28. 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.
29. An effective tree service provision is linked to a number of the themes in the Borough Plan through specific commitments set out below.
30. 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.

Tender process

31. This followed an Open Procedure as set out by the PCR 2015, with tenderers asked to submit a Selection Questionnaire (SQ) alongside their tender proposals. The SQ was assessed prior to the tenderer's proposals being evaluated with the evaluation panel assessing the capacity, capability and experience of the supplier to provide these services.
32. Evaluation of bids were conducted following evaluation criteria weightings of 55% price, 35% quality and 10% social value considerations.
33. Each tenderer's price was 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 recommended to be awarded the maximum scores for the price evaluation; the other tenderers' scores will be based on a percentage of that score.
34. The quality element of the tender evaluation was scored 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.
35. The questions required bidders to explain how they intend to deliver the services. The responses submitted by the winning tenderers will form part of their contract.
36. The quality evaluation was carried out independently by an evaluation panel. Each question was scored independently by each member of the evaluation panel from 0 to 5. Once each question was scored the appropriate weighting was applied to each score.
37. Following this a quality moderation meeting was chaired by an officer who did not independently score the quality submissions, and attended by all officers who have independently scored the quality and social value submissions. At this meeting a consensus score was agreed to ensure consistency in the scoring methods. The consensus scores were then weighted as defined in the tender documents and were added together to produce the final quality score for that tender.
38. The price score and the quality score were then added together to produce an overall score for each lot.

39. Tenderers were invited to bid for any or all three lots but could win a maximum of two lots, which would result in the appointment of two or three successful contractors. Quality and social value scoring (by lot) remained constant, but any referential discounts given against pricing for winning two lots were evaluated to show which combination will achieve best value for the delivery by the council of the contracts. This criteria was then used to allocate pricing scoring against the evaluation with this information being used to recommend the award of the contract(s).

Tender evaluation

40. The price, quality and social value for each tender was evaluated using the weightings listed below:
- Price 55%
 - Quality 35%
 - Social value 10%
41. Each tender submission for each lot was checked for compliance in accordance with the ITT Evaluation Criteria document.
42. The quality submissions were issued to each of the quality assessors. These submissions were individually scored by each assessor. A consensus quality score meeting was held where the quality score for each tenderer was agreed.
43. Four tender returns were received however only three bidders progressed to the quality & price evaluation stage, with one bidder failing a mandatory requirement. Of the remaining bidders, two tenderers bid for two lots each, and one tenderer bid for one lot only.
44. The remaining three bidders scored reasonably evenly in terms of quality. There was some disparity of the social value scoring, however no significant differentials in the total quality and social value scores. This was not surprising given that all three bidders were established industry providers.

Table 2 – Summary of tender evaluation (Price, quality & Social Value)

Scoring	LOT1-3 Evaluation	
Tenderer	Tenderer A	Tenderer B
Total points for price (out of 55)	33.9	55.0
Total points for quality (out of 35)	31.0	33.0

Scoring	LOT1-3 Evaluation	
Tenderer	Tenderer A	Tenderer B
Total points for social value (out of 10)	9.1	9.3
Grand total Point (out of 100)	74.1	97.4
Ranking	2	1

45. Tenderer B achieved the highest scoring with the application of their referential discount for two lots preferencing Lots B and C in combination. Tenderer A achieved the second highest score bidding for one lot only (preference stated for Lot A).
46. Therefore, the recommendation is to award the lots at maximum value detailed below:
- Lot 1 (North) – CSG Ushers Ltd (Tenderer A)
 - Lot 2 (Central) – Glendale Countryside Ltd (Tenderer B)
 - Lot 3 (South) – Glendale Countryside Ltd (Tenderer B)

Total annual contract value = £1,738,351

47. The original contract estimates assumed maximum volumes of work based on historic outputs. It is anticipated that previously estimated volumes will not be realised and as such actual spend will be in the region of the original contract estimate of £1.5m.

Plans for the transition to the new contract

48. As previously described for the procurement period, the plans for issuing high priority works to the in-house team and procuring other works at volume through the framework mechanism will continue through the mobilisation period from the contract award to commencement (August-October 2022).
49. There are currently no anticipated TUPE implications associated with the recommended contract awards, but this will be kept under review and appropriate steps taken to manage individual instances that may arise.
50. Mobilisation Plans will be developed with suppliers to allow for sufficient time for the parties to comply with their respective obligations plans for monitoring and management of the contract.

Plans for monitoring and management of the contract

51. The contracts will be managed by officers from the Trees and Ecology Team (Parks and Leisure).
52. A series of Key Performance Indicators (KPIs) have been developed within the Performance Mechanism to apply to each lot and will be used to measure the suppliers' performance.
53. In addition to the KPIs the suppliers will report their social value performance with the required evidence within the required Annual Performance Report that will be presented as required by Contract Standing Orders.

Identified risks for the new contract

54. Table 3 – Risks

No.	Risk	Risk rating	Description and mitigation
1	Successful challenge to award decision	Medium	Measures were taken to ensure the procurement was carried out in line with UK regulations and guidance. The evaluation methods were clearly identified within the procurement documents and the evaluation was carried out as laid out in the tender documents.
2	Insufficient client resourcing of contracts (budget & staffing) - having the appropriate resource to service the contracts could result in delays/stop this project. Not providing this service would leave the council vulnerable to risk	Low	Appropriate resources have been identified to ensure the contracts are resourced correctly. A commensurate budget uplift capable of servicing the contracts has been applied. All client officer roles within the service structure required to manage the contract have been permanently filled.
4	Failure of suppliers to pay LLW to contracted and sub-contracted staff	Low	Paying London Living Wage (LLW) is a contractual requirement in the Conditions of Contract to include all contracted and sub-contracted staff.
5	Failure of suppliers to ensure financial security in the context of inflationary, Brexit and COVID-19 challenges	Medium	From Contract year 2 (October (2024) in a rolling annual basis an inflationary contract uplift based on an indexation calculation approved by the client will apply.

No.	Risk	Risk rating	Description and mitigation
			The percentage price adjustments will apply across the price list.

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

Community impact statement

55. 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.
56. 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.
57. 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.
58. 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

59. 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.
60. 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.

61. The 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 is needed, where appropriate.

Health impact statement

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

Climate change implications

66. The new contracts will as far as is reasonable work towards delivering on the aims and objectives of the council's Climate Emergency Strategy.
67. 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.
68. 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.
69. 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 to achieve its carbon neutral target.

Social Value considerations

70. The Public Services (Social Value) Act 2012 requires that the council considers, before commencing a procurement process, how wider social, economic and environmental benefits that may improve the wellbeing of the local area can be secured. The social value considerations included in the tender (as outlined in the Gateway 1 report) are set out in the following paragraphs in relation to the tender responses, evaluation and commitments to be delivered under the proposed contract.

Economic considerations

71. Fairer Future Procurement Framework and the economic and social benefits to Southwark has been considered and weighted as part of the procurement process and the criteria for award in line with this policy.
72. The council is an officially accredited London Living Wage (LLW) Employer and is committed, to ensuring, 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.

Social considerations

73. The council is an officially accredited London Living Wage (LLW) Employer and is committed to ensuring that, where appropriate, development partners engaged by the council to provide services within Southwark pay their staff at a minimum rate equivalent to the LLW rate. Both Tenderer A and Tenderer B have confirmed they and their sub-contractors, comply with these requirements.
74. Through the Selection Questionnaire process both successful tenderers demonstrated that they acknowledge and meet the legal requirements around an individual's rights to be members of trade unions.
75. Through the tender process both successful tenderers advised of their commitment to equal opportunities within the arboricultural services industry when delivering these services.
76. Both successful tenderers confirmed their compliance with the council's policy on gender and ethnicity pay gaps as detailed within their Fairer Future Procurement Framework submissions.

Apprenticeships/internships

77. Through Social Value submissions both tenderers have set out their commitments to providing a minimum of two full-time apprenticeships annually paid above the national scale and for the full term of the contract.
78. Both tenderers have set out their commitments to engage with local schools in order to provide at least two work placements/internships in the summer months.

Local employment opportunities and use of local suppliers

79. Both tenderers have confirmed through Social Value submissions that new roles associated with the contracts are to be advertised locally and local suppliers used where possible.

Community engagement

80. 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.
81. All social value commitments as described above will be measured against actual achievements in Annual Service Review reports produced by the service providers as part of the requirements of the Performance Schedule.

Environmental/Sustainability considerations

82. The services will be provided with consideration for Environmental and Sustainability impacts. Both successful tenderers have set out their environmental and sustainability commitments through the relevant Quality method statement submissions in relation to the following areas:
 - Environmental policies
 - Environmental impacts and audits (monitoring and measurements)
 - Water conservation
 - Recycling
 - Biodiversity
 - Reducing carbon emissions
 - Contract waste
 - Procurement of supplies
 - Training, awareness and competence

- Operational management
- Non-conformance and corrective and preventive action plans.

Market considerations

83. Both Tenderer A and Tenderer B provide arboricultural services to a number of London Boroughs including term and framework contracts.

Staffing implications

84. In line with the Gateway 0 and Gateway 1 reports the current in-house client and operational teams have been merged within the Parks and Leisure Division.
85. There are currently no TUPE (The Transfer of Undertakings (Protection of Employment) Regulations 2006) implications associated with this recommendation as there are no anticipated changes to service provision from the existing arrangements. However, as indicated at paragraph 49 of the report, should individual instances arise these will be addressed in line with the requirements of the Regulations.

Financial implications

86. The estimated gross cost of this Gateway 2 is £6.953m (£1,738k per annum) for the 4 year contract and a further £3.477m if the 2 year extension is exercised. This brings the total estimated cost for the 6 year period to £10.43m.
87. The proposed contract can be contained within the Tree Team's approved revenue budgets.

Investment implications

88. There are no investment implications in this report.

Legal implications

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

Consultation

90. Engagement was undertaken with both tree service staff members and unions leading up to the associated GW0 and GW1 papers and their processes.

Other implications or issues

91. None.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Finance and Governance (EL22/026)

92. This report seeks the Cabinet to approve the award of the Southwark Arboricultural Maintenance Contract in three lots commencing on 03 October 2022 for an initial duration of four years at an estimated cost of £6,953,403 (i.e. £1,738,351 annually) with an option for the council to extend for up to two further years at a cost of £3,476,702 making the total contract value of £10,430,105 if the two years extension is exercised to;
- Lot 1 (North) – (Tenderer A)
 - Lot 2 (Central) – (Tenderer B)
 - Lot 3 (South) – (Tenderer B).
93. The Strategic director of finance and governance notes the financial implications and understands that the ongoing cost implications will be contained in the Tree Team's revenue budget.
94. Staffing and any other future maintenance costs connected with this contract will need to be contained within existing departmental revenue budgets.

Head of Procurement

95. This report seeks the approval of Cabinet for the award of the Southwark Arboriculture Maintenance Contract in three contract lots. These contracts will commence on 3 October 2022, for an initial duration of four years. The estimated annual cost of the contracts is £6,953,403. Each contract has an option for the council to extend it for up to two further years at an estimated additional two-year cost of £3,476,702. If exercised, the total contract value of all three contracts for six years is estimated to be £10,430,105. The three contracts are to be awarded with their geographical lot to: CSG Ushers Ltd in the North of the borough, and to Glendale for lots 2 and 3 that cover the central and south areas of the borough.
96. The detail of the procurement process and evaluation that took place is within paragraphs 31-47 of the report. The contracts will pay London Living Wage (LLW) as confirmed within paragraph 72 of the open report. The Community, Equalities, Health and Climate Change Impact Statements are within paragraphs 55-69 of the open report.
97. The plans for the management and monitoring of the contracts are set out within paragraphs 51-53 and the risks are set out in table 3 in paragraph 54 of the open report.

Director of Law and Governance

98. This report seeks approval of the award of the Southwark Arboricultural Maintenance Contract in three lots as further detailed in paragraph 1.
99. Due to the nature, scope and estimated value of the maintenance services that the council requires their procurement is subject to the full application of the Public Contracts Regulations (PCR) 2015. This report confirms at paragraph 12 and from paragraph 31 that officers have conducted a publicly advertised competitive tendering process, following the Open Procedure prescribed by the PCR.
100. It is confirmed that the competitive process undertaken is also consistent with the council's Contract Standing Orders (CSOs).
101. Legal advice has been provided to the project team throughout the procurement exercise, in particular in connection with the tender clarification process and the extent to which the TUPE Regulations may apply upon the award of the proposed contract lots. The TUPE related implications are summarised at paragraph 86 and the procurement timetable is sufficiently flexible to ensure that the council and the affected contractors are able to comply with legal obligations that could potentially arise in respect of TUPE.
102. The proposed contract awards are in relation to a strategic procurement as defined in the 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.
103. 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, religion, 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 55 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 91 which confirms that affected staff and unions have been consulted from an early stage about the procurement strategy.

BACKGROUND DOCUMENTS

Background documents	Held At	Contact
Gateway 0 - Strategic options assessment for the future direction of the tree service Arboricultural Services Options Appraisal – Options around future service provision.	160 Tooley Street, SE1 2QH.	Julian Fowgies Phone number 0207 525 0225
Link (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		
Gateway 1 - Procurement Strategy Approval for the Borough's Tree Works Programme	160 Tooley Street, SE1 2QH.	Julian Fowgies Phone number 0207 525 0225
Link (please copy and paste into browser): https://moderngov.southwark.gov.uk/documents/s103359/Report%20Gateway%20-%20Procurement%20Strategy%20for%20Tree%20Services.pdf		

APPENDICES

No	Title
Appendix 1	GW1 – Future Direction of the Tree Service Equality impact Assessment

AUDIT TRAIL

Cabinet Member	Councillor Catherine Rose, Parks, Streets and Clean Air	
Lead Officer	Toni Ainge, Director of Leisure	
Report Author	Tara Quinn, Head of Parks and Leisure	
Version	Final	
Dated	5 July 2022	
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
Director of Exchequer (for housing contracts only)	No	No
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	5 July 2022	



APPENDIX 1

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. 20.	Classification: Open	Date: 18 July 2022	Meeting Name: Cabinet
Report title:		Mandela Way Bermondsey. Appropriation of council owned land for Planning Purposes	
Ward:		South Bermondsey	
Cabinet Member:		Councillor Helen Dennis, Climate Emergency and Sustainable Development	

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

The following report proposes the appropriation of council-owned land for planning purposes, formerly the Mandela Way lorry park, which has planning permission granted for industrial development. A revised scheme has been put forward by a new potential leaseholder which would create more workspace, including affordable workspace, generating additional employment opportunities and an income stream for the council which will enable us to fund other core services, including those for vulnerable residents. All parties are keen to progress this plan, but it has come to light that there may be an historic right of way benefiting an adjacent owner, albeit one which was not registered on the council's titles, nor one which has been exercised for the past 40 years. The purpose of this appropriation is therefore to remove the risk of injunction relating to the proposed scheme, enabling these wider social benefits to be derived from planning, without any impact on the adjacent land-owner's entitlement to compensation.

RECOMMENDATIONS

That Cabinet:

1. Confirms that with regard to the land shown edged on the plan at Appendix A that is currently held within the General Fund Commercial Property Holding Account , approves the appropriation of the land to planning purposes so that the provisions of s203 Housing and Planning Act 2016 are engaged, in order to facilitate the carrying out of the development proposals for the area in accordance with section 226 of the Town and Country Planning Act 1990 and section 122(1) of the Local Government Act 1972.

BACKGROUND INFORMATION

2. The land in question comprises the former Mandela Way Lorry Park accessed off Mandela Way SE1 and fronting Dunton Road. The land is held freehold by the council and a 250 year lease was granted in May 2015 for a premium to a hotel group for the development of Industrial workspace and

a commercial laundry. There is now agreement, subject to contract, for the lease to be assigned to British Land. The site is currently undeveloped hard surfaced land and is sublet for parking and storage of road maintenance materials to the adjoining owners Conways.

3. Planning permission was granted for the development of the site for Industrial development with workspace, Industrial uses and a commercial laundry. The proposed development would generate many jobs on an empty council owned industrial site and the consent was implemented by the creation of foundations. A revision to this scheme is now proposed creating more workspace (including affordable) and warehouse distribution instead of the laundry.
4. During the Nineteenth Century and the first half of the twentieth century the site was part of the Bricklayers Arms Railway Marshalling Yards. These fell out of use in the 1950's and 1960's and the yards have subsequently been mostly redeveloped for Industrial, warehousing and residential uses.
5. As the Bricklayers Arms site was sold off by British Rail many parts of the site enjoyed access rights over other areas of land adjacent and nearby. The council's land ownership title shows no such rights for adjacent owners however it has been recently established that an adjoining owner of an industrial unit on Mandela Way may have the benefit of an historic railway right of way across the Council's site which was not registered on either the leasehold or freehold titles.
6. The adjoining land was redeveloped in the early 1980's and its access road has always been over the Mandela Way Estate approach and not over the adjoining council owned site. The warehouse owners cannot realistically make use of this historic right of way and have not done so in the past 40 years.
7. The existence of this third party right could mean that development of the councils land can essentially be prevented by the ability of the adjoining owner to injunct the long leaseholder or the council as freeholder from developing the land such that the right is interfered with. If the council's land is appropriated for planning purposes the ability of the adjoining owner to injunct the developer is removed but his ability to claim compensation where appropriate remains.
8. The risk of an injunction at the start of works may make the development undeliverable. Cabinet has been asked on a number of occasions to appropriate different sites to mitigate such risk. This report is another to enable the de-risking of a development that will provide new additional workspace, industrial and warehouse / distribution including affordable workspace leading to the creation of many jobs.

KEY ISSUES FOR CONSIDERATION

9. The consented scheme which has been implemented by the digging of foundations cannot proceed whilst the possibility of an injunction to stop the works hangs over the project. Talks between the leaseholder and the adjoining owner to negotiate the removal of the right of way have not concluded with agreement and therefore for this and any variation of the scheme to progress, the appropriation of the land for planning purposes is required to remove the risk of injunction whilst protecting the right of the adjoining owner to claim compensation for the interference with their right.
10. With the Long Leaseholder having agreed to sell their interest to a large well-funded property group it is likely that redevelopment of the site will now progress and a site that has been awaiting development for many years will finally be built out, creating employment and considerable commercial rates receipts to fund the council's objectives.

Appropriation

11. The appropriation of land refers to the process whereby a council alters the purpose for which it holds land. Where land has been appropriated for planning purposes third party rights enjoyed over the land can be overridden. The beneficiaries of such rights may however claim compensation (equal to the loss in value of their property caused by losing the right) but cannot seek an injunction to delay or terminate the development. This will give the Council and the developer the certainty that having commenced construction works a person with the benefit of a right over land cannot apply to the court to have the development stopped. This is a very important tool in enabling development to proceed on urban sites. As mentioned, the beneficiary of any such right is entitled to financial compensation for the loss of the right. It is sometimes possible to insure against such compensation claims but this will be costly or accept the risk of an injunction that may be fatal to development or result in perhaps significant unquantifiable costs.
12. The compensation persons affected by the loss of any right may be entitled to is based on the value of their properties before the right has been infringed versus the value of the property with the infringed right. This compensation is based on the diminution in value of the affected property. If agreement between the parties is not possible it will be determined by the Upper Tribunal (Lands Chamber).
13. In this case it is recommended that the land edged on the plan be appropriated from the General Fund Commercial Property Holding Account purposes to planning purposes. This will mitigate the risk of legal action designed to frustrate the development being instigated.
14. The rationale for the appropriation of the land shown at Appendix A is set out at Appendix B and Cabinet is recommended to approve the appropriation.

15. Cabinet has received similar appropriation reports mostly to enable new housing schemes to proceed to address the shortage of affordable housing within the Borough. What is proposed here is to enable the creation of warehouse, Industrial and workspace to enhance employment opportunities in the borough

Rationale for recommendations

- 16.
- a. To mitigate against the construction of the development being frustrated or delayed by injunctions
 - b. To de-risk the construction project so as to enable the scheme to be funded and proceed without the threat of being stopped and held to ransom.
 - c. To deliver a current Council Plan commitment of job creation.

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

17. The Council Plan was the subject of extensive community consultation. The recommendations herein further the delivery of the *A Full Employment Borough* commitment set out in the Plan.
18. The development itself is in accordance with the policies set out in The Southwark Plan 2022 which was subject to extensive consultation with residents and which now, alongside the London Plan, forms the statutory development plan for the borough.
19. The development of the site is an industrial development with workspace (including affordable workspace), a range of industrial uses and warehouse distribution. The proposed development will generate many jobs on an empty council owned industrial site providing jobs and opportunities for employment for residents of the borough.
20. The Equality Act 2010 requires the Council in the exercise of its functions to have due regard to the need to:
- a) eliminate discrimination;
 - b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
 - c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
21. Relevant protected characteristics for the purposes of the Equality Act are:

- Age
 - Civil partnership
 - Disability
 - Gender reassignment
 - Pregnancy and maternity
 - Race
 - Religion or belief
 - Sex and sexual orientation.
22. In considering the recommendation herein the cabinet must have due regard to the possible effects them on any groups sharing a protected characteristic in order to discharge its public sector equality duty. This is an ongoing obligation.
23. If the recommendation set out is approved, the development on the Council's land will be able to proceed with the construction of Industrial, Distribution and workspace with a proportion under a revised consent being affordable,
24. The impact of COVID-19, including loss of employment and recent rises in the cost of living has had a disproportionate impact on low income households and especially on vulnerable groups, widening health inequalities. Both the construction of this site and the warehousing and workspaces that will be provided on the site once complete will provide employment opportunities to all residents of the borough helping to mitigate these impacts and should have a positive effect on the health and well-being of Southwark residents.

Climate change implications

25. As set out in council's Climate Change Strategy, climate change and inequalities are linked. The climate emergency is a social justice issue and the council's climate change policy aims to reduce inequality. The future development of this site will help to reduce inequality in the borough by providing a range of employment opportunities and affordable workspace to support to those that can least afford the increase in utility bills and the impact of the changing climate.
26. Whilst the proposals for the site will deliver a ground floor distribution hub, which will increase vehicular traffic to the site, as we move forward this hub will be serviced by a fleet of modern vehicles, which will include electric and

hybrid vehicles, which deliver a considerably reduced impact on the environment than traditional diesel and petrol vehicles.

Financial Implications

27. There are no costs for the council other than internal costs for officer time. The developer / Leaseholder tenant will be required to indemnify the council against any compensation claims for diminution in value that may arise as a consequence of the construction of the scheme.
28. Where land is appropriated from the General Fund into planning and then subsequently back again there should be no transfers of debt as there would be in transfers from and to the Housing fund and there are, therefore, no financial implications arising directly from the recommendations made in this report.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Governance

29. The report recommends the appropriation of council owned land for planning purposes.
30. A council holds land and property for a variety of statutory purposes in order to perform its functions. A council is authorised by virtue of section 122 of the Local Government Act 1972 (“the 1972 Act”) to appropriate land within its ownership for any purpose for which it is authorised to acquire land by agreement, where is no longer required for the purpose for which it is held immediately before the appropriation.
31. The land must already belong to the council. Paragraph 3 of the report confirms that the land to be appropriated is in the council’s freehold ownership.
32. The land must be no longer required for the purpose for which it is currently held. The report confirms at paragraph 6 of Appendix B that the land is no longer required for its current purposes.
33. The purpose for which the council is appropriating the land must be authorised by statute. It is proposed that the land is held for planning purposes. This is a purpose which is authorised by statute. Section 246 of the Town and Country Planning Act 1990 (“TCPA 1990”) defines such purposes as, inter alia, those for which can be acquired under ss226 or 227 of that Act. Section 227 provides that a council may acquire land by agreement for any purposes for which it is authorised to acquire land compulsorily by s226 TCPA 1990.
34. The purposes for which a council can acquire land pursuant to s226 TCPA 1990 include purposes “which it is necessary to achieve in the interests of the proper planning of an area in which the land is situated.” S226 also

authorises the acquisition of land "... if the authority think that the acquisition will facilitate the carrying out of development, re-development or improvement on or in relation to the land." In the case of either s226 or s227 the acquiring authority must be satisfied that whatever development proposals it has for the land in question these are likely to "contribute to the achievement of any one or more of the following objects – (a) the promotion or improvement of the economic well-being of their area; (b) the promotion or improvement of the social well-being of their area; (c) the promotion or improvement of the environmental well-being of their area." The Council's plan to build new homes on the land, of which, the majority are council homes for rent and the remainder are intermediate, is capable of falling within all three categories.

35. Section 203 of the Housing and Planning Act 2016 came into force on 13 July 2016. This section contains a power to override easements and other rights, and it replaces s237 TCPA.

S203 says:

"(1) A person may carry out building or maintenance work to which this subsection applies even if it involves

(a) interfering with a relevant right or interest...

(2) Subsection (1) applies to building or maintenance work where –

(a) there is planning consent for the building or maintenance work,

(b) the work is carried out on land that has at any time on or after the day on which this section comes into force

(i) become vested in or acquired by a specified authority or

(ii) been appropriated by a local authority for planning purposes as defined by section 246(1) of the Town and Country Planning Act 1990 [*i.e. for purposes for which an authority can acquire land under ss226 and 227*]

(c) the authority could acquire the land compulsorily for the purposes of the building or maintenance work, and

(d) the building or maintenance work is for purposes related to the purposes for which the land was vested, acquired or appropriated as mentioned in paragraph (b)."

36. What this means is that where land has been appropriated for planning purposes building work may be carried out on land even if this interferes with rights or interests if there is planning consent for the building work; and the work must be for purposes related to the purposes for which the land was appropriated, in this case planning purposes. By s204 those third party

rights are converted into an entitlement to compensation to be calculated in accordance with ss7 and 10 of the Compulsory Purchase Act 1965.

37. This report confirms that the work being done on the land will be done in accordance with planning permission. Once the land has been appropriated and s203 triggered, that work will be authorised even where it interferes with third party rights.

Strategic Director of Finance and Governance (CE22/016)

38. This report is requesting cabinet to confirm that with regard to the land shown edged on the plan at Appendix A that is currently held within the General Fund Commercial Property Holding Account, approves the appropriation of the land to planning purposes so that the provisions of s203 Housing and Planning Act 2016 are engaged, in order to facilitate the carrying out of the development proposals for the area in accordance with section 226 of the Town and Country Planning Act 1990 and section 122(1) of the Local Government Act 1972r. Full details of the recommendations are contained in the report.
39. The Strategic Director of Finance and Governance notes the recommendation to appropriate land as described in order to facilitate regeneration and the building of an Industrial scheme at Mandela Way. This land appropriation is proposed to occur in such a way that it will have a neutral financial impact.
40. Staffing and any other costs relating to this report to be contained within existing departmental revenue budgets.

BACKGROUND DOCUMENTS

Background Papers	Weblink
Council Plan 2018/9 – 2021/22	Link (please copy and paste into browser): http://moderngov.southwark.gov.uk/documents/s78763/Report%20Council%20Plan.pdf
Southwark Plan 2022	Link (please copy and paste into browser): https://www.southwark.gov.uk/planning-and-building-control/planning-policy-and-transport-policy/new-southwark-plan

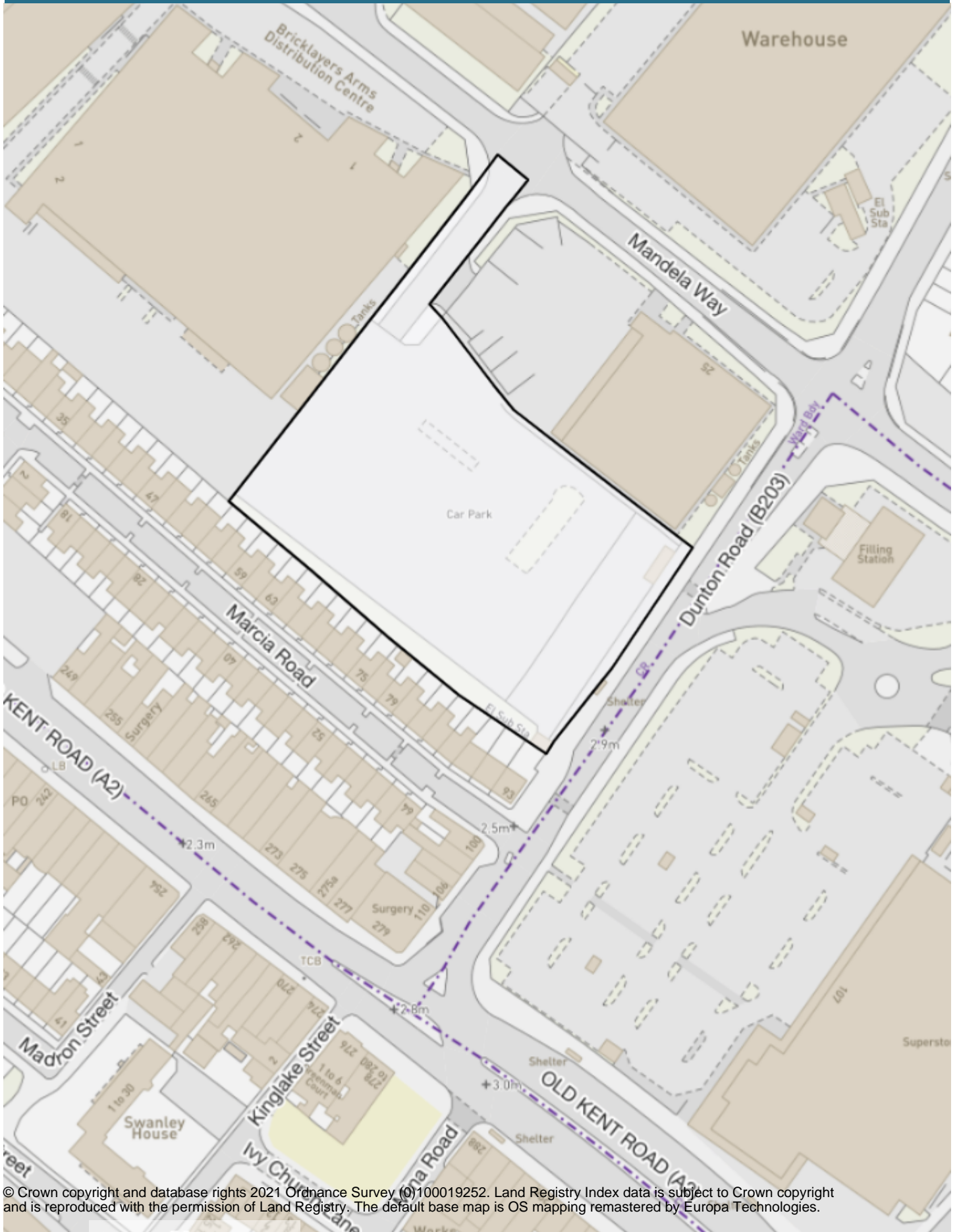
APPENDICES

Appendix	Title
Appendix A	Mandela Way Former Lorry Park Bermondsey Map
Appendix B	Rationale for appropriations of the land

AUDIT TRAIL

Cabinet Member	Councillor Helen Dennis, Climate Emergency and Sustainable Development	
Lead Officer	Stephen Platts, Director Planning and Sustainable Growth	
Report Author	Marcus Mayne, Principal Development Surveyor	
Version	Final	
Dated	6 July 2022	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Director of Law and Governance	Yes	Yes
Strategic Director of Finance and Governance	Yes	Yes
Strategic Director of Housing and Modernisation	No	No
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team	6 July 2022	

Land to be appropriated at Mandela Way



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50 m

Scale = 1:100 000 000 000

6-Jul-2022

Land at Mandela Way**APPENDIX B****Appropriation of the land (shown edged on the plan) at Appendix A for planning purposes as set out in s226 of the Town and Country Planning Act 1990****Background to appropriation**

1. Under section 122(1) of the Local Government Act 1972 the Council may appropriate land for any purpose for which it is authorised to acquire land when the land is no longer required for the purposes for which it is held.

2. Under section 226(1)(a) and 227 of the Town and Country Planning Act 1990 the Council may acquire land if they think the acquisition will facilitate the carrying out of development, re-development or improvement on or in relation to the land. This includes development of the sort contemplated in the redevelopment of the subject former parking and storage depot. The power in section 226(1)(a) is subject to subsection (1A) of section 226. This provides that the acquiring authority must not exercise the power unless it considers the proposed development, redevelopment or improvement is likely to contribute to achieving the promotion or improvement of the economic, social or environmental well-being of the area for which the acquiring authority has administrative responsibility. There are clear economic social and environmental and social benefits associated with the provision of new warehouse and industrial development, namely providing people with employment opportunities from the construction works and in the finished development. Accordingly the Council may appropriate land for the purposes of the development proposals land that it already owns if that land is no longer required for the purposes for which it is held. The land shown on the plan at Appendix A is no longer required for its current purposes for the reasons set out below and is not needed in the public interest for those purposes. The land can therefore be appropriated from its current use. As the appropriation will facilitate the new development proposals it may be appropriated for planning purposes.

3. Where land has been appropriated for planning purposes Section 203 of the Housing and Planning Act 2016 (power to override easements and other rights) applies such that the erection, construction or carrying out or maintenance of any building or work on the land (by the council or a person deriving title from the council) is authorised if it is done in accordance with planning permission, notwithstanding that it interferes with certain private rights such as restrictive covenants and easements. The effect of triggering section 203 is that private rights are effectively overridden and converted into a claim for compensation pursuant to s 204. The level of compensation for interference with rights or breach of restrictive covenant is assessed on the basis of the loss in value of the claimant's land as a consequence of the interference or breach of covenant. An important consequence of the operation of Section 203 is that a claimant cannot secure an injunction, to prevent the development from going ahead - as indicated above, their remedy is a claim for compensation.

4. Prior to developing land it is usual practice to make prudent enquiries of what rights might exist over the land, this will involve inspecting the land to see if there are any

obvious rights and checking land ownership information. However, some rights may not be apparent from inspection and historic ones may not always be recorded at the Land Registry. The application of the power to override rights contained in s203 therefore mitigates this risk. In this case an historic right of way has come to light that was not recorded on the Council's title to the land.

5. The right to claim compensation for the depreciation in value caused by the loss of right is enforced against the owner of the land which in this case is the Council. The Council will obtain an indemnity from the developer of the land to meet the cost of any compensation that may be payable. Since the right of way is historic and has not been used for many years it is not thought that any compensation that may become payable will be a significant sum since the property benefitting from the right is not in practice using it.

Rationale for appropriating the subject site to planning purposes

6. The former lorry park is under utilised in land use terms and the need for new warehousing including workspace available at affordable rent levels exceeds the existing use need. The Council has disposed of the site on a long lease to a developer who will develop it in this way, subject to planning permission. Construction of the consented scheme or any future scheme may interfere with the right of way in favour of a nearby property, and appropriation will eliminate any risk of that adjoining owner applying to the court for an injunction. If an injunction is granted, the scheme will not be able to proceed. In any event, the risk of an application for an injunction is such that it will deter the developer from constructing the new warehouse and workspace development. In these circumstances it is appropriate to utilise the powers of section 203 to overcome this risk and enable the development to be built.

7. As indicated above, the land is now required to be held for planning purposes to facilitate the redevelopment proposals associated with the planning permission for new Industrial development. When land has been appropriated for section 203 purposes it will continue to benefit from its over-riding provisions even when the land is no longer held for planning purposes.

8. The appropriation of the land whilst denying the beneficiaries of any third party rights over the land the ability to frustrate the regeneration of the land will not take away their ability to claim for compensation in respect of any diminution in the value of their land as a result of their rights being overridden.

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Helen Dennis		Allan Wells	1
Stephanie Cryan		Ian Young	1
Alice Macdonald			
Darren Merrill		Others	
Catherine Rose		Louise Neilan – electronic copy	
Martin Seaton		Paula Thornton, Constitutional Officer	6
Ian Wingfield			
Irina Von Wiese			
Suzanne Abachor			
Victor Chamberlain			
Ellie Cumbo			
Jon Hartley			
Laura Johnson			
Sunny Lambe			
Margy Newens			
Jason Ochere			
Leo Pollak			
Group Offices - electronic			
Joseph Brown, Cabinet Office			
Pavle Popovic, Liberal Democrat Group Office			
		Total: 18	
		Dated: 13 June 2022	