

Cabinet

Monday 22 July 2024
11.00 am

Rooms GO2A, B and C, 160 Tooley Street, London SE1 2QH

Membership

Councillor Kieron Williams (Chair)
Councillor Jasmine Ali

Councillor Evelyn Akoto
Councillor John Batteson

Councillor Stephanie Cryan

Councillor Helen Dennis

Councillor Natasha Ennin

Councillor Sarah King
Councillor James McAsh

Councillor Portia Mwangangye

Portfolio

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

INFORMATION FOR MEMBERS OF THE PUBLIC

Access to information

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Contact

Email: 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: 11 July 2024



Cabinet

Monday 22 July 2024
11.00 am
Rooms GO2A, B and C, 160 Tooley Street, London SE1 2QH

Order of Business

Item No.	Title	Page No.
	PART A - OPEN BUSINESS	
	MOBILE PHONES	
	Mobile phones should be turned off or put on silent during the course of the meeting.	
1.	APOLOGIES	
	To receive any apologies for absence.	
2.	NOTIFICATION OF ANY ITEMS OF BUSINESS WHICH THE CHAIR DEEMS URGENT	
	In special circumstances, an item of business may be added to an agenda within five clear working days of the meeting.	
3.	NOTICE OF INTENTION TO CONDUCT BUSINESS IN A CLOSED MEETING, AND ANY REPRESENTATIONS RECEIVED	1 - 2
	To note the items specified which will be considered in a closed meeting.	
4.	DISCLOSURE OF INTERESTS AND DISPENSATIONS	
	Members to declare any interest and dispensations in respect of any item of business to be considered at this meeting.	
5.	MINUTES	3 - 11
	To approve as a correct record the minutes of the open section of the meeting held on 17 June 2024.	

Item No.	Title	Page No.
6.	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 16 July 2024.	
7.	DEPUTATION REQUESTS	
	To consider any deputation requests. The deadline for the receipt of deputation requests is midnight Tuesday 16 July 2024.	
8.	AYLESBURY ESTATE UPDATE - CURRENT PHASES	12 - 26
	To approve key activities for the next phase of the regeneration programme for the Aylesbury Estate.	
9.	SOUTHWARK 2030 - PUBLICATION	To follow
	To approve the Southwark 2030 strategy.	
10.	SOUTHWARK LAND COMMISSION	27 - 34
	To agree a series of actions set out in the council's draft response to the Southwark Land Commission report and the action plan.	
11.	SOUTHWARK'S NEW HOMES UPDATE	35 - 54
	To note the update position on the council new homes delivery programme along with the achievements to date.	
12.	GATEWAY 1 - SOUTHWARK CONSTRUCTION NEW HOMES PROGRAMME 2022-2026 PROCUREMENT STRATEGY	55 - 90
	To approve the procurement strategy to appoint development partners for mixed tenure housing schemes across at least two lots for use until 31 March 2031.	

Item No.	Title	Page No.
13.	177 ABBEY STREET, SE1, KEY WORKER HOUSING AND COMMUNITY FACILITY, GATEWAY 1 DEVELOPMENT PARTNER PROCUREMENT VIA PAGABO FRAMEWORK	91 - 112
	To approve the strategy to procure a Development Partner (DP), via the Pagabo Framework, to deliver, via a Development Agreement (DA) for a development at 177 Abbey Street comprising the delivery of circa 100 keyworker housing (KWH) units and a community facility.	
14.	AFFORDABLE HOUSING SUPPLEMENTARY PLANNING DOCUMENT (SPD)	113 - 124
	To agree the Affordable Housing Supplementary Planning Document (SPD) for public consultation.	
15.	HOUSEHOLDER SUPPLEMENTARY PLANNING DOCUMENT (SPD)	125 - 135
	To agree the Householder Development Supplementary Planning Document (SPD) for public consultation.	
16.	CLIMATE AND ENVIRONMENT SUPPLEMENTARY PLANNING DOCUMENT (SPD)	136 - 146
	To agree the Climate and Environment Supplementary Planning Document (SPD) for public consultation.	
17.	PECKHAM STATION UPGRADE: CONTRIBUTION TO DOVEDALE COURT ENTRANCE	147 - 162
	To agree to contribute £1m as match funding from strategic community infrastructure levy funding to Network Rail for the construction of a new entrance and public realm to the rear of Peckham Rye Station in Dovedale Court.	
18.	ELEPHANT AND CASTLE TOWN CENTRE – COMPULSORY PURCHASE ORDER UPDATE	163 - 189
	To endorse the submission by the council of a supplementary statement of case for the compulsory purchase order (CPO) which will reflect the proposed amendments to the West Site of the scheme and agree that the CPO should be promoted on this basis.	

Item No.	Title	Page No.
19.	GATEWAY 1 PROCUREMENT STRATEGY FOR DELIVERY OF 0-19 COMMUNITY PUBLIC HEALTH SERVICES	190 - 238
	To approve the procurement strategy for delivery of 0-19 Children's Community Public Health services of single supplier negotiation with Guy's and St Thomas' NHS Foundation Trust to agree to a contract for an initial period of two years and six months from 1 October 2024.	
20.	POLICY AND RESOURCES: FINANCIAL REMIT REPORT	239 - 262
	To note the three-year medium term financial strategy (MTFS) agreed by council assembly in February 2024 and related recommendations.	
21.	POLICY AND RESOURCES: CAPITAL OUTTURN REPORT 2023-24	263 - 295
	To note the capital outturn position and approve virements and variations to the general fund and housing investment capital programme.	
22.	POLICY AND RESOURCES: OUTTURN REVENUE MONITORING REPORT 2023-24	296 - 317
	To approve interdepartmental budget movements and note the forecast revenue outturn position for 2023-24.	
23.	HOUSING DEPARTMENT SENIOR MANAGEMENT STRUCTURE	318 - 326
	To approve changes to the housing department senior management structure.	
24.	BOROUGH GENERIC EMERGENCY PLAN AND CORPORATE BUSINESS CONTINUITY PLANS 2024	327 - 362
	To agree the annual review of the generic borough emergency plan with the understanding that further lessons from incidents and exercises will continue to be incorporated into future learning and planning.	

Item No.	Title	Page No.
25.	REPORT OF THE HEALTH AND SOCIAL CARE SCRUTINY COMMISSION - ACCESS TO TOILETS	363 - 381
	To consider recommendations from the health and social care scrutiny commission in respect of access to toilets.	
26.	REPORT OF THE ENVIRONMENT SCRUTINY COMMISSION - SUSTAINABLE FREIGHT	382 - 408
	To consider recommendations from the environment scrutiny commission in respect of sustainable freight.	
27.	REPORT OF THE EDUCATION AND LOCAL ECONOMY SCRUTINY COMMISSION - SCHOOL AMALGAMATIONS AND CLOSURES	409 - 419
	To consider recommendations from the education and local economy scrutiny commission in respect of school amalgamations and closures.	
28.	REPORT OF THE HOUSING, COMMUNITY SAFETY AND COMMUNITY ENGAGEMENT SCRUTINY COMMISSION - REVIEW OF HOUSING ALLOCATIONS, HOMELESSNESS AND HEATING AND HOT WATER OUTAGES AND POLICING IN SOUTHWARK	420 - 430
	To consider recommendations from the housing, community safety and community engagement scrutiny commission in respect of review of housing allocations, homelessness and heating and hot water outages and policing in Southwark.	
29.	REPORT OF THE EDUCATION AND LOCAL ECONOMY SCRUTINY COMMISSION - COMMUNITY WEALTH BUILDING YOUTH EMPLOYMENT	431 - 436
	To consider recommendations from the education and local economy scrutiny commission in respect of community wealth building youth employment.	

Item No.	Title	Page No.
30.	MOTIONS REFERRED FROM COUNCIL ASSEMBLY	437 - 456

To consider the following motions referred from council assembly 20 March 2024 meeting as follows:

- Southwark 2030: a proud history and a vibrant future: harnessing all of the strengths of our borough to deliver opportunity for all
- Back the Bakerloo Line Extension
- A Fair Deal for Housing in Southwark
- Southwark Council calls for an immediate ceasefire in Gaza
- Protecting Play Spaces in Southwark
- Improving Inclusivity for People with Dyslexia.

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

EXCLUSION OF PRESS AND PUBLIC

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

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

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

PART B - CLOSED BUSINESS

- 31. MINUTES**
- 32. AYLESBURY ESTATE FUTURE PHASES**
- 33. 177 ABBEY STREET, KEY WORKER HOUSING AND COMMUNITY FACILITY**

Item No.

Title

Page No.

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

Date: 11 July 2024



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

Cabinet 22 July 2024

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

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

This notice issued in accordance with The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 is to confirm that the cabinet meeting to be held on 22 July 2024 at the Council Offices, 160 Tooley Street, London SE1 2QH will be held partly in closed session for consideration of the following items listed on the agenda:

Item 32: Aylesbury Estate Update - Current Phases

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

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

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

Paula Thornton
For Proper Constitutional Officer

Dated: 11 July 2024



**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 multi-ward area forums considering an executive function.

DECISION MAKER

Name of decision maker: Cabinet

Date of meeting: 22 July 2024

LEAD OFFICER DETAILS

Name and contact details: Catherine Brownell, Programme Manager
Email: Catherine.brownell@southwark.gov.uk

DETAILS OF THE REPORT

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

177 Abbey Street, SE1, Key Worker Housing and Community Facility, Gateway 1 Development Partner procurement via Pagabo Framework

Gateway 1: To decide on a delivery route for the delivery of the key worker housing and community facility scheme/

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

Timely delivery of the project is necessary to secure the 2022-2026 grant funding window. Delay to this report would impact all the dates set out in the report and could therefore impact on the grant funding window.

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

Since the date of the Agenda Planning meeting. (Unfortunately, the author missed submitting the paperwork to register the closed report.)

Paula Thornton
For Proper Constitutional Officer
Dated: 11 July 2024



Cabinet

MINUTES of the OPEN section of the Cabinet held on Monday 17 June 2024 at 11.00 am at the Council Offices, 160 Tooley Street, London SE1 2QH

PRESENT: Councillor Kieron Williams (Chair)
Councillor Jasmine Ali
Councillor John Batteson
Councillor Stephanie Cryan
Councillor Helen Dennis
Councillor Sarah King
Councillor James McAsh
Councillor Portia Mwangangye

1. APOLOGIES

Apologies for absence were received from Councillors Evelyn Akoto and Natasha Ennin.

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

None received.

4. DISCLOSURE OF INTERESTS AND DISPENSATIONS

There were none.

5. MINUTES**RESOLVED:**

That the minutes of the meeting held on 6 March 2024 be approved as a correct record and signed by the chair.

6. PUBLIC QUESTION TIME (15 MINUTES)

There were none.

7. DEPUTATION REQUESTS

There were none.

8. CLOSURE OF COMBER GROVE PRIMARY SCHOOL**RESOLVED:**

That the proposal for the closure of Comber Grove Primary School from 31 August 2024 be agreed.

9. GATEWAY 1 – PROCUREMENT STRATEGY APPROVAL SCHOOL FOOD PROCUREMENT FRAMEWORK**RESOLVED:**

1. That the procurement strategy for the development of a school food procurement framework, with a term of four years provisionally commencing in December 2024 with a total estimated value of £4m, which meets the required specification for school food in Southwark, in collaboration with the Get Help Buying for Schools (GHBS) part of the Department for Education (DfE) be approved.
2. That it be noted that the recommendation in paragraph 1 of the report is contingent on the outcome of market and schools engagement, please see timeline in paragraph 41 of the report. Approval is sought at this point in order for Department for Education to progress governance. The framework protocol and lot strategy is to be determined, but will be influenced by market engagement activity detailed within paragraphs 73-76 of the report which is scheduled for quarter 1 2024-25.
3. That the subsequent gateway 2 decision be delegated to the strategic director for children and adult services.

10. GATEWAY 1 – COUNCIL ENERGY CONTRACTS PROCUREMENT**RESOLVED:**

1. That the use of the LASER flexible procurement framework to administer the purchase and supply of the council's gas and electricity for a four year period (1 April 2025 to 31 March 2029) with a possible one year extension (31 March 2030) be approved.
2. That authority be delegated to the strategic director of environment, neighbourhoods and growth in consultation with the strategic director of finance, cabinet member for climate emergency, jobs and business and cabinet member for equalities, democracy and finance to award the contracts for the supply of gas and electric and to approve the purchasing options, service level agreement and any appropriate green energy options in relation to the award, which will be set out within the gateway 2 report.

11. GATEWAY 1 - PROCUREMENT STRATEGY APPROVAL: REPLACEMENT OF THE ENTERPRISE RESOURCE PLANNING SYSTEM**RESOLVED:**

1. That the procurement strategy for the replacement of the Enterprise Resource Planning (ERP) system, on the basis of a fully integrated ERP solution, via Crown Commercial Service (CCS) framework RM6194 Back Office Solutions for the Vendor, System Implementation Partner, Data Migration, and Reporting contracts, and via the replacement CCS framework for Back Office Solutions for archiving and support costs, and CCS framework RM6193 for Business Change Management, for a period of up to ten years total duration with an estimated maximum value of £35.7m across all contracts as detailed in the financial implication section of the report, be approved.
2. That the approach that the council will procure a fully integrated ERP solution for the reasons noted at paragraphs 17-19 of the report be approved.
3. That it be noted that the procurement strategy relates to seven contracts for the individual aspects of the requirements associated with the ERP system, each for the contract periods and contract values noted in paragraph 23 of the report.
4. That approval be delegated to the strategic director of finance to approve the contract awards to the successful supplier(s) in consultation with the cabinet member for equalities, democracy and finance for the reasons noted in paragraph 61 of the report.

5. That approval be delegated to the strategic director of finance in consultation with the cabinet member for equalities, democracy and finance to approve alternative procurement route/s for all lots if required for the reasons noted at paragraph 49-52 of the report.

NOTE:

Councillor Jasmine Ali left the meeting at 11.35am to attend another engagement.

12. APPOINTMENTS TO OUTSIDE BODIES 2024-25

It was highlighted that Southwark Twinning Association was a new outside body appointment for the council.

RESOLVED:

That appointments to the outside bodies listed in Appendix A of the report for the 2024-25 municipal year be agreed as follows:

Better Bankside Board

Councillor Helen Dennis

Blue Bermondsey BID Board

Cllr Leo Pollak

Board of Southwark College Corporation

Cllr Jasmine Ali

Browning Estate Management Association

Cllr Naima Ali

Capital Letters (Boroughs' Representative Body (BRB))

Cllr Sarah King

Central London Forward

Cllr Kieron Williams

Centre London Forward (Employment and Skills Board)

Cllr John Batteson

Centre for Literacy in Primary Education

Cllr Catherine Rose

Cross River Board

Cllr James McAsh

Crystal Palace Community Development Trust

Cllr Catherine Rose

Greencoats Studios (UAL, Wilson Road Steering Group)

Cllr Sabina Emmanuel

Groundwork London, Local Authority Strategic Input Authority

Cllr Portia Mwangangye

Guys and St Thomas NHS Foundation (Council of Governors)

Cllr Emily Hickson

Kings College Hospital NHS (Council of Governors)

Cllr Renata Hamvas

London Bridge Improvement District BID

Cllr John Batteson

London Road Safety Council (LRSC)

Cllr James McAsh
Cllr Richard Livingstone

London Youth Games Limited

Cllr Portia Mwangangye

Cllr Jasmine Ali (deputy)

Millwall for All

Cllr Sunny Lambe

Mountview

Cllr Sabina Emmanuel

Newable Limited (formerly Greater London Enterprise Limited)

Cllr John Batteson

North Southwark Environment Trust

Cllr Naima Ali

Oru Space (20 – 22 Lordship Lane) Steering Group

Cllr James McAsh

Cllr Charlie Smith

Peckham Levels Steering Group

Cllr John Batteson

Cllr Reggie Popoola

Peckham Palms Steering Group

Cllr Sabina Emmanuel

Cllr Suzanne Abachor

Potters Fields Park Management Trust

Cllr Portia Mwangangye

Toni Ainge, acting strategic director, environment, neighbourhoods and growth

Shared ICT Services Joint Committee

Cllr Stephanie Cryan

Cllr Barrie Hargrove

South Bank and Waterloo Partnership (previously South Bank Partnership)

Cllr John Batteson

Cllr David Watson

Cllr Irina von Wiese
Cllr Victor Chamberlain

South Bank Business Improvement District Ltd

Cllr John Batteson
Cllr Irina von Wiese

South London Gallery Trustee Limited

Cllr Richard Leeming
Cllr Cleo Soanes

South London and Maudsley (SLaM) NHS Trust Members Council

Cllr Jason Ochere

Southwark and Lambeth Archaeological Excavation Committee (SLAEC)

Cllr Richard Leeming
Mr. Bob Skelly

Southwark Construction Skills Centre (“the Centre”)

Cllr John Batteson

Southwark Twinning Association

Cllr James McAsh

Safer Neighbourhood Board (Southwark)

Cllr Natasha Ennin

WeAreWaterloo BID (Business Improvement District)

Cllr Maria Linforth-Hall

Walworth Group

Cllr Natasha Ennin

13. APPOINTMENTS TO PANELS, BOARDS AND FORUMS 2024-25

RESOLVED:

That the allocation of places to panels, boards and forums for 2024-25 set out

in Appendix A of the report be agreed as follows:

Joint Partnership Panel (Trade Union consultation)

Cllr Kieron Williams
Cllr Stephanie Cryan

Homeowners Service Charge Arbitration Tribunal

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

Tenancy and Leaseholder Arbitration Tribunal

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

Southwark Safeguarding Adults Board

Cllr Evelyn Akoto
Cllr Natasha Ennin

Southwark Safeguarding Children's Board

Cllr Jasmine Ali

Standing Advisory Council on Religious Education

Cllr Maggie Browning
Cllr Margy Newens
Cllr Graham Neale

Southwark Tenant Management Organisation Committee

Cllr Sarah King (cabinet member)
Cllr Barrie Hargrove
Cllr Esme Hicks
Cllr Jane Salmon

MOTION TO EXCLUDE THE PRESS AND PUBLIC

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

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

14. GATEWAY 1 - PROCUREMENT STRATEGY APPROVAL: REPLACEMENT OF THE ENTERPRISE RESOURCE PLANNING SYSTEM

The cabinet considered the closed information relating to this item. Please see item 11 for the decision.

The meeting ended at 11.45am.

CHAIR:

DATED:

DEADLINE FOR NOTIFICATION OF CALL-IN UNDER SECTION 17 OF THE OVERVIEW AND SCRUTINY PROCEDURE RULES IS 11.59PM, TUESDAY 25 JUNE 2024.

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.

Meeting Name:	Cabinet
Date:	22 July 2024
Report title:	Aylesbury Estate Update – Current Phases
Cabinet Member:	Councillor Helen Dennis, New Homes and Sustainable Development
Ward(s) or groups affected:	Faraday
Classification:	Open
Reason for lateness (if applicable):	Not Applicable

FOREWORD - COUNCILLOR HELEN DENNIS, CABINET MEMBER FOR NEW HOMES AND SUSTAINABLE DEVELOPMENT

The council remains unwavering in its ambition for the renewal of the Aylesbury Estate and the delivery of high quality, sustainable homes for our residents who live there. Over the last year, we have seen the completion of new council homes on the First Development Site as well as Plot 18, and it is wonderful to see residents moving into their new homes. Across the First Development Site (A & B), there will be 581 new council homes, including flexi-care provision at Harriet Hardy House, and some specialist housing for those with learning difficulties. Working with Notting Hill Genesis (NHG) , our development partners on the estate, we have now delivered the new Una Marson library which opened earlier this year and we are close to opening the new Health Centre and Community Centre which will be leased by Mentivity.

Among other things, this report proposes the reallocation of existing budget to enable the council to offer discretionary home-loss and disturbance payments to residents currently living in latter phases of the regeneration project, but who want to take up the opportunity to move into new council homes on the FDS. We are proposing that the advice and support offered around Aylesbury allocations is brought back in house and

The report also makes a number of proposals that will facilitate the delivery of phase 2B which is currently being consulted on by NHG with a view to bringing a new planning application forward later this year. We know that this year has been a challenging one for residents given the delays to the programme but we hope that this report will give assurances that we remain focused on the delivery of decent homes and to working with the TRAs to address the immediate and pressing issues on the estate through resident services and our investment programme.

RECOMMENDATIONS

Recommendations for the Cabinet

1. That the Cabinet approve the following:
 - i. The re-profiling of £20.4m of previously approved spend for the project, for years 2024-27, as set out in Appendix 1.
 - ii. The re-profiled expenditure of an estimated £1,215,000 (based on the current policy allowance of £8,100 per household, from October 2023) and £112,500 for approximately 150 secure tenants as discretionary payment for those who may move to the First Development Site B (FDS B). The calculations for which are set out in paragraph 37.
 - iii. The expenditure of approximately £351,000 (based on the previous policy allowance for homeloss payment of £7,800 per household) as a discretionary back payment to 45 secure tenants who have moved from Phase 4 to First Development Site (FDS A), in line with the approval in point ii.
 - iv. The expenditure of approximately £427,500 for homeloss and disturbance payments to secure tenants in Phases 2b, C and 3 which have decant status, be paid from the existing, approved leasehold budget.
 - v. The termination of the agreement with Creation Trust Southwark CIC.
 - vi. The appointment of specialist consultants to undertake negotiations on the purchase of commercial units to provide vacant possession to the developer and where possible avoid the establishment being taken forward in any future compulsory purchase orders.
 - vii. The delegation of authority to activate Phase 4 as a decant phase to the Managing Director of Southwark Construction, in consultation with the Strategic Director of Housing, the Leader and relevant Cabinet Members, should this become necessary to accelerate the building programme.
 - viii. The delegation of authority to negotiate and approve any proposal for a variation of the Development Partnership Agreement with the developer for the purpose of enabling the delivery of Phase 2b, to the Managing Director of Southwark Construction, in consultation with the Strategic Director of Housing, the Strategic Director of Finance, the Leader and relevant Cabinet Members for expediency purposes to prevent any delays in progressing the phase.
 - ix. The delegation of authority to the Managing Director of Southwark Construction in consultation with the Strategic Director of Housing, the Leader and relevant cabinet members, to give them the ability to commission any surveys and investigations that may be applicable or in the council's interest to understand market conditions that may impact or influence the deliverability of the regeneration programme.

- x. The delegation of authority to the Director of Planning and Growth and the Managing Director of Southwark Construction, to give them the ability to offer an alternative solution for the purchase of leasehold properties within Phase 2b, up to the value of £450,000 which; may fall outside the general policy and be outside of the borough for estate regeneration schemes as required to secure vacant possession.

REASONS FOR RECOMMENDATIONS

2. To enable key activities for the next phase of the regeneration programme for the Aylesbury Estate, Phase 2b, to be carried out using the existing budget. To ensure that the council fulfills its obligations under the DPA and Business Plan with the developer.
3. To enable secure tenants to receive a discretionary payment of homeloss and disturbance payments for their moves to the new homes on FDS A and B.

ALTERNATIVE OPTIONS AND NOT RECOMMENDED

4. There are none.

POST DECISION IMPLEMENTATION

5. As noted below:

Key Activity	Target completion date
Termination of Creation Trust CIC agreement	July 2024
Reprofiling of budget to appropriate cost centres	July 2024
Payment of discretionary payments	March 2025
Recommendation of heating options for phase 2b and Wolverton blocks	August 2024

BACKGROUND INFORMATION

6. The background to the Aylesbury Estate regeneration programme is well documented in reports, dating back to 2005. The decision to regenerate the estate was approved by Cabinet in January 2014, culminating in the signing of a DPA with the developer, with the objective of creating a better environment and better homes for residents.

7. This report provides a summary position on the regeneration of the estate, progress made to date, and matters for approval or noting by Cabinet to enable the next phase of delivery, and the fulfilment of both the council and the developer's obligations under the DPA and Business Plan.
8. The report does not seek to alter or add any additional information about the decision to regenerate the estate or rationale for approvals obtained thus far.

New Homes Delivery Programme

9. The regeneration of the Aylesbury Estate has been underway for some years now, following the signing of the DPA.
10. The developer's has provided a draft programme for the delivery of the regeneration programme.
11. Unforeseen circumstances have had an impact on the delivery of the new homes, most recently the judicial review judgement on the outline planning permission (OPP), changes in Building Regulations which has required the redesign of and delayed the approval of the planning application for Phase 2b.
12. Despite the setbacks, the construction of new homes, has progressed at pace and high quality affordable homes are now being built on the estate, including 581 new council homes on the FDS. Two hundred and twenty-nine have already been handed over and occupied.
13. The first tranche of these new homes are now out of the defects liability period and are the responsibility of the council to maintain. The remaining 352 council homes will commence sectional handover, from May. All homes should be fully occupied by early 2025.
14. In addition to the new homes on the FDS, Plot 18, consisting of 122 new homes (a mixture of social homes, homes for sale and commercial units) is expected to be completed in early 2025. Both the council and the developer are landlords on this site. The nursery, library, health provision and public square are in the council's ownership, with the remainder within the developer's demise. The library opened in January and is fully operational. It has been well received by local residents.
15. The developer continues to review the viability and interest for the commercial unit.
16. There were changes in the planning approval for Plot 18, from 66 private sale, 10 shared ownership and 46 social rented units to 99 private sale, 6 shared ownership and 17 social rented units. The 6 shared ownership units have been converted and designated as homes for over 55s.

17. The FDS C site was demolished and cleared in 2019. This site will deliver 321 new homes, a mixture of social shared ownership and private for sale which will be owned by the developer. Construction is underway and is anticipated to complete Summer 2027. The site will be leased to the developer.

KEY ISSUES FOR CONSIDERATION

Phase 2b Planning Status

18. The next phase of the regeneration of the estate is Phase 2b. This phase currently consists of 614 new homes a mixture of social, shared ownership and private for sale homes. The Council will have 100% nomination rights to the social rent and intermediate homes. Due to unforeseen circumstances there has been a delay in the determination of this application.
19. The phase 2b planning application was referred for consideration to the Mayor of London because it is of strategic importance.
20. In July 2023 the government's passed legislation requiring all residential buildings over 18m to have a second staircase for evacuation purposes. The GLA, following this change in legislation, also announced in September 2023 that they would no longer review Stage 2 referrals for applications whose proposals did not achieve the new legislative requirements.
21. The delay in the planning application being determined has had an impact on the commencement of the Compulsory Possession Order (CPO). Legal advice is that CPO proceedings should not commence until planning consent is in place, which is not anticipated to be before Summer 2025.
22. A legal challenge to the Section 96A application for the consented outline planning permission, was received in April 2023 and determined in January 2024.

Phase 2b Vacant Possession Obligations

23. Under the DPA the council has a legal obligation to provide vacant possession (VP) of the blocks contained in Phase 2b, namely 241-471 Wendover, Padbury, Ravenstone and Winslow.
24. The emptying of the blocks has gained momentum over the past year or so with the completion of FDS A homes in July 2023. Whilst it is likely that the council will require the CPO, to acquire leasehold interests, the majority of secure and temporary accommodation tenants will have vacated the blocks by the end of the year. If a CPO is required a separate report will be brought to Cabinet at the relevant time.
25. Under the terms of the DPA, the council is obliged to support the developer's delivery programme by providing timely VP of each phase, and undertaking

the demolition of the buildings and associated infrastructure.

26. These obligations are supported by further detail and processes set out in the Business Plan.
27. The soft stripping of the blocks was completed in September 2023 which enabled them fix the demolition costs until November 2024.

Discretionary Payment

28. A number of the secure tenants in the earlier phases have successfully moved elsewhere on the estate or to alternative accommodation across the borough. A number of tenants have secured permanent homes in FDS A.
29. In accordance with the local lettings policy and as with FDS A, all the homes in FDS B are intended, in the first instance, to be allocated to tenants and leaseholders (where applicable) living on the Aylesbury Estate in priority phase order.
30. With the pending handover of the 352 council homes as referred to above it is anticipated that a large number of secure tenants in phase 4, which is yet to be activated as a decant phase, will have the opportunity to move into one of the new homes.
31. A key part of the council objective in undertaking a phased rehousing approach for the redevelopment is to retain as much of the existing community as possible.
32. For the tenants living in phase 4 the non-activation of the phase means that they are not entitled to receive the statutory homeloss payment. With the economic crisis as it is this is of great concern to tenants who may in turn decide to remain in their homes until the activation of their phase, which is not anticipated to be before 2031 at the earliest, to secure their homeloss payment.
33. The decision to award secure tenants a discretionary payment equivalent to the homeloss payment is an important incentive for not only providing residents with a secure start in their new homes but also ensuring that the council homes on the estate go to those it was originally intended for.
34. Forty-five secure tenants from phase 4 have already moved to FDS A for which a discretionary backdated payment to them would be fair and just. This payment will be at the statutory homeloss amount, at the time of their move of £7,800.00.
35. Tenants from phases 2 and 3 which are activated decant phases have already moved and received homeloss and disturbance payments. The table below sets out the anticipated payments.

Homeloss and Disturbance payment table

Cost Title	Value	No. of Tenants	Phase 2b/c	Phase 4
Tenants Homeloss Phases 2 and 3	£7,800.00	50	£390,000.00	
Tenant Homeloss payment (phase 4)	£8,100.00	150		£1,215,000.00
Tenant disturbance payment (phase 4)	£750.00	150		£112,500.00
Total				£1,327,500.00

36. The funding for these discretionary payment is being sought from the £20.4m budget to purchase leasehold interests as a budget was not previously approved for these payments.
37. In January 2022 Cabinet approved £29.8m for leasehold purchases. There are currently one hundred and forty one leasehold interests remaining on the estate and an estimated £68m will be required to purchase the leasehold interests in these properties at a later date.
38. It is not anticipated, given the programme completion date for phase 2b of 2032 that leasehold interests in phases 2c and 3 will need to be acquired in the immediate future.
39. There is no requirement to commence purchasing of leasehold properties in phase 4 at this time.

Future Phases Programme

40. The indicative programme to complete the regeneration of the estate is ambitious. The programme requires the council to deliver its vacant possession and demolition obligations at pace, with adequate resources and robust processes.
41. The council's contractual obligation is to ensure that there are sufficient financial resources available for it to deliver its vacant possession and demolition obligations under the terms of agreement.
42. Additional funds will be required to progress and fulfil the council's obligations beyond phase 2b in later years. Funding would also be required should the council wish to demolish blocks independent of the developer programme.
43. The programme is subject to change and will as pending decisions are made about the submission of the revised planning application, CPO, and VP as well as other matters that may affect delivery.

44. Consideration will need to be given to any potential legal challenge made in respect of phase 2b and any potential risk of legal challenge in future phases.
45. The council is to achieve vacant possession for each phase and sub-phase, Southwark Construction will work with the developer to ensure that these are accounted for in future worst-case scenarios as matters are firmed up.

Existing Services/Disconnections

46. The Aylesbury Estate is serviced by a district heating system which also provides heating to building located outside of the Aylesbury Estate. The council will be responsible for discussing the disconnection of the supply with the freeholder and any costs associated with it. The disconnection will not be required for a number of years.
47. In some situations where a building is required to be disconnected from the district heating system prior to vacant possession (in line with the Demolition Schedule), a temporary boiler plant will be provided and connected by the developer.
48. Council Officers are in the process of establishing the options available to provide a temporary supply to any buildings identified as being required to enable vacant possession to be achieved.
49. Leasehold interests in blocks will be acquired to mitigate the disconnection and new supply issues that may arise as there is no reference in their leases in relating to this matter which would assist the council in gaining access and installing a new heating system.

Creation Trust Southwark CIC

50. In 2009, the Council and Creation Southwark CIC entered into a Memorandum of Understanding under which the parties agreed to collaborate in achieving certain objectives, including the Council's intention to provide financial and other support to CIC.
51. In 2018 the board of the Creation Trust decided to end in their original form and deliver a reduced service through Creation Trust Southwark CIC.
52. Creation Trust Southwark CIC was established in 2019 as a successor body to the The New Aylesbury Trust Ltd (known as Creation) to continue to deliver housing advice to residents going through the Aylesbury regeneration programme.
53. In January 2020 the Council agreed to fund the successor body for a period of 10 years.
54. Since this time the council has been funding Creation Trust Southwark CIC and providing an estate based office premises. They have for some time been working out of the Blue Hut on the estate but are soon to move into a

space in the Una Marson Library.

55. The main focus of the organisation is to support residents to engage with the regeneration programme, provide services for young people and deliver worklessness programmes for local residents.
56. The relocation of tenants on estate has, in the main, been to new homes built on the estate in accordance with the local lettings policy. The Resident Services Officers have played the primary and pivotal role in ensuring the detailed engagement to support this transition takes place not the CIC.
57. The funds allocated to CIC would best served by employing two part time Regeneration Officers to support the regeneration of the estate, working closely with the developer in delivering their social and economic commitments, the Resident Services Team and other departments across the council.
58. It is therefore recommended that the council terminate the agreement with CIC.
59. A review of the resources and skillsets needed to deliver the regeneration programme including the engagement with residents should be considered once the delivery dates for phase 2b have been confirmed by the developer.

Non Adopted Open Spaces (NASS)

60. Within the Business Plan and DPA the intention was for NASS sites to be maintained through ground rents received by the developer. In 2023 the government freed future leaseholders from ever having to pay ground rent through the Leasehold Reform (Ground Rent) Act 2022. An alternative solution for the management of the NASS sites going forward will need to be agreed.

Budget Re-profile

61. There is currently no budget allocated to the Aylesbury Estate regeneration beyond leasehold purchases. The re-profiled budget includes all costs associated with the council fulfilling its legal obligations under the DPA and Business Plan for the delivery of phase 2b and key programme deliverables for the latter phases for the next three years – from 2024 to 2027.
62. The re-profiled budget does not include the demolition of the blocks contained in phase 2b.
63. In September 2022 the wholesale purchases of leasehold properties across the estate was ceased to; preserve the additional funds approved in January 2022, awaiting a firm programme from the developer and to allow for out of sequence purchases that would be necessary to assist the developer in accelerating the programme.

64. Where necessary exception reports will be prepared for leaseholders who fall into hardship or can demonstrate an urgent need for their property to be acquired by the council. These reports will be considered by the Managing Director of Southwark Construction and the Director of Planning and Growth for approval. Eight purchases has been allowed for within the reprofiled budget.
65. The remaining leaseholders interests in phase 2b must be acquired to allow the next phase of the regeneration programme to start. The cost for acquiring the leasehold interests has been accounted for within the reprofiled budget.
66. The reprofiled budget also takes into account any costs associated with the purchase of a property to secure VP in phase 2b.
67. Taking into account the timescale for the delivery of phase 2b and the remaining phases the re-profiling of the budget to support the key activities and requirements of the council in delivering the estate will not be a detriment to the purchasing of leasehold interests.
68. A report will be brought to Cabinet in the future for budget approval to purchase the remaining leaseholders on the estate and carry fulfil the council's obligations under the terms of the agreement with the developer as and when required.

Risks and Challenges

69. Given the complexity and length of the regeneration programme risks, challenges and issues will remain constant. The current risks pertaining in the main to phase 2b are; achieving vacant possession, rehousing of tenants, purchases of leasehold properties, a successful CPO.

Policy Framework implications

70. The regeneration programme is being carried out in accordance with new Southwark Plan. Outline planning permission for the whole Estate and reserved matters approval for current sites is in place.
71. Plot 18, FDS A and B new homes aligns with the council's principles and visions for a new housing strategy which is aimed at increasing the availability, affordability and quality of homes in the borough. The new homes will play a key role in assisting the council to achieve its target of building more new homes.

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

Community impact statement

72. Over the last decade there has been considerable community engagement

as the programme has been developed. Recent activity has focused on both consultation on forthcoming new homes on FDS B and the opening of the new library.

73. The developer continues to engage with the community in line with their obligations under the DPA and Business Plan, engaging with the council and their representatives to ensure their engagement meets the aspirations of the council. They are currently preparing the consultation strategy for the phase 2b planning application and a future programme of engagement to be shared and approved by the council.

74. Equalities (including socio-economic) impact statement

75. An Equalities Impact Assessment (EQIQ) was carried out for phase 2b in August 2022. When required further detailed EQIA will be carried out in order to inform the regeneration programme.

Health impact statement

76. The EQIA will include the health impact of the proposals.

Climate change implications

77. The current masterplan for the programme, which built on the Aylesbury Area Action Plan, was the subject of outline planning permission in 2015. At the time the provision of a communal heating system based on a number of gas powered energy centres was compliant with planning policy.
78. FDS A and B are served by gas heat network. Sites 2B and FDS C will and have been taken forward with the alternative air source heat pumps and photovoltaic panels.
79. Policy will ensure that the remainder of the regeneration programme meets the highest possible sustainability standards.

Resource implications

80. The resources for the delivery of the regeneration is in the main through a dedicated team within Southwark Construction who are supported by a number of departments throughout the council. The resource requirement will need to be reviewed to reflect the delivery programme for the phase 2b, as well as the collaboration and monitoring of the social and economic obligations of the developer.

Financial implications

81. For the reasons set out elsewhere in this report, the re-profiling of the leasehold purchase budget is sought to cover key activities and costs associated with the delivery of the programme. No additional funds are being sought.

Legal Implications

82. There are no immediate legal implications contained within the report. As and when matters arise through the course of the programme legal advice will be sought and action taken as appropriate.

Consultation

83. The council will continue to engage with the community and other key stakeholder about the delivery of the new homes and the regeneration of the estate. The developer is required under the DPA to carry out stakeholder engagement at all levels for the duration of the agreement.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director, Finance

84. The Strategic Director of Finance notes the recommendations of the report, specifically the redesignating of the remaining approved resources of £20.4m originally set aside for leaseholder acquisitions for the Aylesbury development as set out in the report. This is primarily to facilitate vacant possession of phase 2B of the Aylesbury development agreement through the purchase of the remaining leasehold interests and to offer discretionary disturbance payments to tenants moving as part of the development. The report at this time seeks no further funding for future phases, which will be reported separately at a future date.

Other officers

85. There are none.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Aylesbury Estate Phase 2b CPO Link: https://moderngov.southwark.gov.uk/documents/s107262/Report%20Aylesbury%20Estate%20Phase%202B%20CPO.pdf	Planning and Growth, Finance Strategic Directorate, 160 Tooley Street, London, SE1 2QH	Neil Kirby 0207 525 1878
Future of Aylesbury Estate Link: https://moderngov.southwark.gov.uk/documents/s104415/Report%20	Planning and Growth, Finance Strategic Directorate,	Neil Kirby 0207 525 1878

Background Papers	Held At	Contact
Future%20of%20Aylesbury%20Estate.pdf	160 Tooley Street, London, SE1 2QH	
Aylesbury Over 55s Homeloss and Disturbance Payment Link: https://modern.gov.southwark.gov.uk/ieDecisionDetails.aspx?ID=7713	Planning and Growth, Finance Strategic Directorate, 160 Tooley Street London, SE1 2QH	Neil Kirby 0207 525 1878

APPENDICES

No.	Title
Appendix 1	Aylesbury Estate Non Adopted Shared Sites

AUDIT TRAIL

Cabinet Member	Councillor Helen Dennis, New Homes and Sustainable Development	
Lead Officer	Hakeem Osinaike, Strategic Director of Housing	
Report Author	Lorraine Roach, Strategic Lead Aylesbury	
Version	Final	
Dated	10 July 2024	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Assistant Chief Executive, Governance and Assurance	No	No
Strategic Director, Finance	Yes	Yes
List other officers here	N/a	N/a
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team	10 July 2024	

Aylesbury Estate Non Adopted Shared Sites (NASS)



Meeting Name:	Cabinet
Date:	22 July 2024
Report title:	Response to Southwark Land Commission
Cabinet Member:	Councillor Helen Dennis, New Homes and Sustainable Development
Ward(s) or groups affected:	All
Classification:	Open
Reason for lateness (if applicable):	N/a

FOREWORD - COUNCILLOR HELEN DENNIS, CABINET MEMBER FOR NEW HOMES AND SUSTAINABLE DEVELOPMENT

We established the Southwark Land Commission, the very first of its kind in London, as we wanted to reinvigorate discussions with partners about how we can work together to maximise social and environmental outcomes using land and property in Southwark. What followed was an immensely rich process and conversation, and the 25 proposals which were set out in the Land Commission report reflect this energy and diversity, with topics covered including thematic issues such as affordable housing and environmental sustainability, as well as cross-cutting issues relating to ownership and partnership.

The Land Commission report is very timely and comes as we are agreeing our wider Southwark 2030 agenda, on the back of wide consultation with residents and community partners. Over 2000 people took part in listening events and completed our survey, and we are now working to articulate all this input through a list of shared priorities, which can help underpin any 'social purpose framework' going forward.

Whilst the recommendations go beyond formal planning policy, they will also be considered as the Council produces additional guidance around implementation of the Southwark Plan and also undertakes its early review of the Plan to further take account of the Climate Emergency and our ambition for thriving neighbourhoods and town centres.

The council is very grateful to the Commissioners for all of the work that they undertook to produce their report, with special thanks to the Chair, Dr Miatta Fahnbulleh. It is our hope that many of them will stay engaged with us as we seek to develop some of the recommendations further and launch the proposed Southwark Land Partnership.

This report works through the Commission's 7 headline recommendations and 25 detailed proposals in turn to provide a comprehensive response from the Council. I am

pleased that the Council is able to respond positively to the majority of recommendations from the Commission and among other things, we will be moving forward to set up a Southwark Land Partnership, bring forward a plan for Affordable Workspace Hubs later this year, is announcing two initial Land Commission “pilot schemes” and will be extending Community Review Panels to cover additional neighbourhoods beyond the Old Kent Road. It is our hope that wider partners will also bring their own responses to the table and I have been very encouraged by conversations to date. This is very much a collective effort and with a larger number of land and property-owners bought into this work, we will be able to achieve a more significant impact.

RECOMMENDATIONS

Recommendations for the Cabinet

1. Agree to the series of actions set out the council’s draft response to the Southwark Land Commission report set out in Appendix 1 and the action plan set out in Appendix 2.
2. Agree that the finalisation of the wording and design of the council’s draft response to the Southwark Land Commission report prior to publication be delegated to the Cabinet Member for New Homes and Sustainable Development.
3. Agree that the Terms of Reference and membership of the Southwark Land Partnership be delegated to the Cabinet Member for New Homes and Sustainable Development.

REASONS FOR RECOMMENDATIONS

4. The responses to the Land Commission are drafted to take into account the current strategic, legal and financial context that the council is operating in. The recommendation builds on the invaluable work of the Land Commission and is intended to take forward a number of activities in a positive way.

ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

5. An alternative response of being more directional on issues such as the Social Purpose of Land Framework was discussed but it was considered that there is a real value in taking key stakeholders on the journey of policy development.

POST DECISION IMPLEMENTATION

6. Appendix 2 sets out a range of actions which are a direct result of this report. Periodic reports will be presented to Cabinet over the specific actions such as the Strategic Purpose of Land Framework.

BACKGROUND INFORMATION

7. On 12 September 2023, Cabinet received a report from the Land Commission. The Cabinet agreed to note the recommendations set out in Land for Good, the

Report of the 2023 Southwark Land Commission and that officers consider the recommendations set out the report and report back to Cabinet in early 2024.

KEY ISSUES FOR CONSIDERATION

8. The report set out a number of key Priority Actions for stakeholders to consider. Appendix 1 sets out the council response to each of these Priority Actions. The actions are summarised in the action plan in Appendix 2. The key priorities for action in the short term are:
9. **Southwark Land Partnership.** We have confirmed interest from relevant Land Commissioners and other key property stakeholders in attending a regular strategic meeting. Although the terms of reference need to be drafted, it is anticipated that the meeting would discuss common issues such as the Social Purpose of Land Framework, development of 'pilot sites', and decarbonisation of existing property.
10. **Social Purpose of Land Framework.** Meetings have taken place with a number of the Land Commissioners to develop this idea with a focus on developing a tool that will aid public land-owners in their decision-making. In order to progress discussions towards the drafting of this key document, the council is engaging specialist consultants to draft an options paper which will be subject to further discussion with stakeholders.
11. **Community Empowerment Fund.** One of the key actions was that the council should do more to empower local communities to take on and manage land and property. A meeting has taken place with a number of community organisations which have recently taken on council buildings, and Community Southwark, to discuss the type of support that may be appropriate. The next step is a wider event with other community organisations to discuss the issue. This discussion will inform the next steps.
12. **Pilot sites and Widening Participation.** The council has identified two sites – on Queens Road and Sandgate Street – as pilots for a wider community consultation on future land use. The Anglican Diocese of Southwark has identified Thorburn Square as a pilot. Other members of the Southwark Land Partnership will be requested to identify sites.
13. We will use these pilot sites to test different approaches to community engagement with a focus on broadening participation and engaging those who are often under-represented in conversations about land and planning. This will draw on our experience to date with the Old Kent Road Community Review Panel and the Aylesham Centre Community Forum (ACCF). In particular, the Cabinet Member for New Homes and Sustainable Development will work closely with the Cabinet Member for Leisure, Parks and Young People to bring forward proposals for deepening engagement with young people. We will continue to work with the community on existing projects in this space including Livesey Exchange, Kingswood Arts and Walworth Town Hall.
14. **Affordable Workspace.** The current policy is under review in order to maximise

the provision of affordable workspace. In recognition of the fact that in parts of the Borough, a subsidised workspace is still not affordable to a large number of small businesses the council is proposing to increase the number of in lieu payments that can be utilised to develop affordable workspace hubs. This position has already been agreed by Planning Committee in determining two schemes in Bankside.

15. **Affordable Housing.** The council seeks to maximise the provision of affordable housing in perpetuity particularly social rent. In addition to continuing the current council house building programme, we are exploring alternative ways of funding delivery. As set out in the report on Abbey Street elsewhere on the agenda of this meeting, we are taking forward proposals to deliver much needed homes for key workers. In addition, the Council will also be bringing forward a site on Scylla Road as a pilot residential Community Land Trust (CLT) and is supporting Peckham Citizens in the consideration of a Community Land Trust element of the Aylesham Centre development.

Policy framework implications

16. These are set out in the paragraphs above.

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

Community impact statement

17. It is considered that the actions set out in the draft Council response to the Southwark Land Commission report will have a positive impact on the community through promoting further engagement and improving access to council land and property.

Equalities (including socio-economic) impact statement

18. Section 149 of The Equality Act 2010 imposes a general equality duty on public authorities (the Public Sector Equality Duty)(“PSED”) in the exercise of their functions, to have due regard to the need to:
- Eliminate discrimination, harassment and victimisation and any other conduct that is prohibited by or under the Equality Act 2010
 - Advance equality of opportunity between people who share a relevant protected characteristic and people who do not share it
 - Foster good relations between people who share a relevant protected characteristic and people who do not share it.
19. For the purposes of the PSED the following are “protected characteristic” considerations:
- Age
 - Marriage and civil partnership
 - Disability
 - Gender reassignment
 - Pregnancy and maternity

- Race
 - Religion or belief
 - Sex
 - Sexual orientation.
20. The PSED duty and implications for groups with protected characteristics will be considered further as the projects are developed and delivered.
21. An Equalities Impact and Needs Assessment report is attached as Appendix 3 to this report. The report highlights a range of positive impacts on those with protected characteristics that the actions set out in the draft Council response to the Southwark Land Commission report could bring about.

Health impact statement

22. The actions set out in the draft Council response to the Southwark Land Commission report address a number of identified health issues including access to nature and the Sustainable Food Strategy.

Climate change implications

23. The response set out in Appendix 1 includes a series of policy changes already underway which are in direct response to the Climate Emergency.

Resource implications

24. The staffing implications of the actions set out in the draft Council response to the Southwark Land Commission report will be contained within existing budgets. The financial implications of taking forward these actions will be addressed in future reports.

Legal implications

25. See the comments of the Assistant Chief Executive, Governance and Assurance below.

Financial implications

26. At present the financial implications of the actions set out in Appendix 1 and 2 are unknown. There are a number of actions which relate to work underway such as planning policy review and have limited additional cost apart from officer time. Actions relating to the Southwark Land Partnership can be accommodated within existing resources in Planning and Growth. Actions 1, 6 and 8 which relate to the Social Purpose Framework and disposals policy could reduce income to the council both in capital receipts and rental levels. The financial implications of action 9 will need to be considered as part of the Neighbourhoods work. These implications will be reported in future reports taking forward these key actions.

Consultation

27. As part of the drafting of this report, consultation with a number of the Land Commissioners has taken place with a particular focus on the Social Purpose of Land Framework. The draft response set out in Appendix 1 was circulated to the Land Commissioners for comment.
28. As part of the evolving work on community empowerment, discussions have taken place with a number of community organisations who have recently taken on council land and buildings.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Assistant Chief Executive (Governance & Assurance) – NST210624

29. This report is for Cabinet to agree the Council's response and action plan to the recommendations to Land for Good, the Report of the 2023 Southwark Land Commission. There are no legal implications arising from agreeing the response.
30. There are likely to be legal implications and relevant statutory and policy frameworks to consider when officers implement the action points. These will include, but are not limited to, the duty to obtain best value either under section 123 Local Government Act 1972 or section 32 of the Housing Act 1985 (depending on whether or not the council holds the land in the Housing Revenue Account or General Fund). Similarly, any incorporation of social value into the Southwark Local Plan will need to meet the legislative and policy framework of producing and adopting a local plan.
31. Council Assembly on 14 July 2021 approved a change to the council's Constitution to confirm that all decisions made by the council will consider the climate and equality (including socio-economic disadvantage and health inequality) consequences of taking that decision. This has been considered at paragraphs 18 - 23 above.
32. The Public Sector Equality Duty ("PSED") is set out at section 149 of Equality Act 2010 and requires the council to have due regard in the exercise of its functions (including decision making), to the need to:
 - a. Eliminate discrimination, harassment, victimisation or other prohibited conduct;
 - b. Advance of equality of opportunity between persons who share a relevant protected characteristics and those who do not share it;
 - c. Foster good relations between those who share a relevant characteristic and those that do not share it.
33. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.

34. Officers have considered the council's PSED under section 149 of the 2010 Act at paragraphs 18-22 of this report and the Equalities and Impact Needs Analysis (EINA) at Appendix 3. Officers have concluded that, at this stage, the Council's response to the Southwark Land Commission report and the action plan not considered to have any adverse impacts on persons with protected characteristics.

Strategic Director of Finance (FIN24/13)

35. This report asks Cabinet to note the progress and agree to the series of actions set out in Appendix 1 and the action plan set out in Appendix 2.
36. That Cabinet agrees to delegate, the agreement of a Terms of Reference and membership of the Southwark Land Partnership to the Cabinet Member for New Homes and Sustainable Development.
37. That the finalisation of the detail of Appendix 1 prior to publication be delegated to the Cabinet Member for New Homes and Sustainable Development.
38. There are no immediate financial implications arising from this report however, some of the recommendations will have financial implications that would need to be considered as part of future reports and decisions of Cabinet, addressing any funding requirements and the source of such funding.
39. Staffing and any other costs connected with this report to be contained within existing departmental revenue budgets.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Land For Good Cabinet 12 September 2023 (item 9)	Title of department / unit Address Planning and Growth	Name Phone number Neil Kirby
Link: Agenda for Cabinet on Tuesday 12 September 2023, 11.00 am - Southwark Council (item 9)		

APPENDICES

No.	Title
Appendix 1	Land Commission Council Response
Appendix 2	Land Commission Action Plan
Appendix 3	Equalities Impact Assessment

AUDIT TRAIL

Cabinet Member	Councillor Helen Dennis, New Homes and Sustainable Development	
Lead Officer	Clive Palfreyman, Strategic Director of Finance	
Report Author	Neil Kirby, Head of Sustainable Growth	
Version	Final	
Dated	9 July 2024	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Assistant Chief Executive Governance and Assurance	Yes	Yes
Strategic Director of Finance	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team		9 July 2024

Meeting Name:	Cabinet
Date:	22 July 2024
Report title:	Southwark's New Homes Programme Update
Cabinet Member:	Councillor Helen Dennis, New Homes and Sustainable Development.
Ward(s) or groups affected:	All
Classification:	Open
Reason for lateness (if applicable):	Not Applicable

FOREWORD - COUNCILLOR HELEN DENNIS, CABINET MEMBER FOR NEW HOMES AND SUSTAINABLE DEVELOPMENT

Southwark has been at the forefront of building new council homes, with one of the most ambitious programmes in the country, and to date over 3,000 homes completed or on site. Visiting these projects and especially meeting residents who have moved into new homes, is one of the best parts of this job, as a decent home is so fundamental to everything else and can be transformational for people and their families. In the last year I've spoken with people who have moved into new homes on Daniels Road in Nunhead, Ivy Church Lane off the Old Kent Road and the First Development Site on the Aylesbury, and all have spoken about the hugely positive impact of these new homes on their lives.

Our programme continues to deliver at a pace with recent completions at Commercial Way in Peckham and at Roberts Close in Canada Water, and I'm delighted that in 23/24, Southwark was the London borough responsible for most completions of council homes¹. New homes will soon be ready for residents on Nunhead Lane and on the former Cherry Gardens school site in South Bermondsey, and our estate renewal programmes on the Ledbury and Tustin estates are progressing well, demonstrating how we can work with residents and partners to deliver replacement homes plus additional council homes for those in housing need.

This report pulls together our delivery record to date, but also highlights the significant challenges that we face as we move forward with our ambitious plans. Over the last year, house-building has been hugely impacted by escalating build-cost inflation, regulatory uncertainty and rapidly escalating interest rates. Across London there was a 90% decrease in affordable housing starts in 23/24 and that trend has been borne out in Southwark as we have had to pause some of our programme and consider how we continue to deliver new council homes in a financially viable way, whilst also ensuring that resources from our Housing Revenue Account are dedicated to our existing stock.

¹ [GLA stats on site and completion council homes \(london.gov.uk\)](https://www.london.gov.uk/press-releases/major/2024/07/gla-stats-on-site-and-completion-council-homes)

I'm incredibly proud of what we have been able to achieve to date and am excited about the next phase of delivery, as Southwark continues to play its part in delivering council-managed social rent homes that are fit for the future and which local residents can afford.

RECOMMENDATIONS

1. That the cabinet note the update position on the council new homes delivery programme along with the achievements to date.
2. That the cabinet note this report sits alongside the GW1 Southwark Construction New Homes Programme 2022-2026 Procurement Strategy which sets out the delivery route for the next portion of the council homes programme.

REASONS FOR RECOMMENDATIONS

3. To provide an overview of the new homes delivery led by Southwark Construction.

ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

4. This report provides a programme update including the achievements of the new build programme to date as well as key issues for consideration. There are no options presented nor decisions sought in this report.

POST DECISION IMPLEMENTATION

5. This report provides a programme update, there are no changes or decisions presented for approval that require implementation. The new build programme will continue to be delivered in line with its current approvals.

Key Activity	Target completion date
Delivery of 'Routes to 11,000 – a new council homes strategy for Southwark'	Ongoing

BACKGROUND INFORMATION

6. Southwark leads the way nationally in delivery of new council homes; bold investment at scale over the past nine years has delivered quality homes to meet local need with a programme of over 3000 new homes completed or on site. Furthermore, Southwark's new homes programme delivers more than new homes and provides a range of other benefits and improvements including play areas, enhanced public realm, commercial space and community facilities.
7. The '[Routes to 11,000 – a new council homes strategy for Southwark](#)' was adopted in April 2020; it sets out the Southwark Construction mission statement and the council's priority to deliver 11,000 new homes by 2043. The strategy sets out several possible delivery models to enable the council to achieve this

ambitious target and ensure that approaches can be flexible to suit market conditions and the availability of funding and grant funding regimes.

8. The first major tranche for these new homes (2018-22 programme) delivered nearly 2500 new homes and the second major tranche (2022-24) aims to deliver 1000 new council homes, across more than 190 individual schemes varying from hidden homes (single dwellings or less than five homes) to multi-phase regeneration schemes that deliver hundreds of new homes wider improvements other community benefits.
9. During 2022-23 unexpectedly high inflation increases placed significant cost pressures across the Council's Housing Revenue Account (HRA) portfolio including Southwark's new homes programme, these pressures started to realise quickly and two years on nearly all schemes on site are facing significant cost increases that go beyond the planned contingency levels. The funding that the council what would have expected to have available to take forward the future pipeline is now needed to cover costs in the committed programme. This was outlined in a report to cabinet in March 2023.
10. Changes in the economy, not just inflation, but associated issues of interest rates, Brexit and war in Ukraine have exacerbated build costs, this is in the addition to the significant changes to the sector that also adversely affect the availability of finance and affordability of schemes. Namely; 7% rent ceiling in 2023/24 has reduced the Council's rental income by approximately £10m per annum; changes to Building and Fire Safety regulation have significant cost implications to Southwark due to the size of its housing stock and number of tall buildings; availability of skills and labour; and, balancing Net Zero and enhanced energy efficiency standards with financial parameters and housing need
11. To date Southwark's new build programme has been predominately achieved through direct delivery based on a mixed financial model that combines HRA borrowing, S106 receipts and grant funding. However, several schemes in the current programme are already successfully being delivered through development agreements (e.g. Cherry Gardens, 345 Southwark Park Road, Aylesbury and Tustin Estates, Manor and Braganza) and/or are mixed tenure schemes where the shared ownership and private sales properties are contributing to the affordability of the project.
12. Southwark, along with all other councils continue to face a range of financial pressures that has been compounded by inflation and interest rate rises. During this period there have been a number of roundtables between local authorities facilitated by London Councils and the GLA to discuss the difficult context for local authority-led house building programmes. The range of typical issues and responses taken by other council's with delivery programmes include:
 - Programmes being paused in full or part with some councils also reducing their development teams
 - Changing tenures across programmes to improve viability

- Shifting from direct delivery to sharing risk through formal partnership working
 - Taking forward disposals of poorly performing stock to generate capital receipts to be used to help build new homes.
13. **Overall programme;** In the context of this incredibly challenging period for the economy and within the house-building sector Southwark's commitment to delivery at scale means a pipeline of new homes has continued at pace. Appendix 1 list all schemes in the programme by, ward, number of new homes and delivery status. The following sections provide a summary of the key deliverables to date.
14. There are currently 27 schemes on site and 16 schemes in the defects period, all other schemes are now out of defects and are part of mainstream council services. In the past six months three schemes within Southwark's 2018-22 programme were paused due to financial constraints, these were Bells Gardens, Lindley Estate and Sceaux Gardens. In addition Styles House was also paused due to new fire regulations that meant that plans for the scheme were no longer deliverable.
15. **Start on sites to date** – To date the programme, across both tranches, has started almost 3060 new council homes and a total of 3900 new homes including intermediate and private for sale, the tenure breakdown is detailed in the table below;

Table 1: Total number of homes started across both tranches (up to 20 May 2024 and includes those now completed).				
Programme	Council homes	Intermediate	Private	Total New Homes
1000	708	130	285	1,123
2500	2,349	182	210	2,741
Total	3,057	312	495	3,864
As a % of starts	79%	8%	13%	

16. For the financial year 2021/22 Southwark had the largest council house building in the programme in the country reflecting the overall scale of delivery. The council has continued to make a significant contribution to the overall volume of new affordable homes built nationally and regionally. As set out in the London Assembly's Affordable Housing Monitor 2023 the council's new homes programme has significantly contributed to the volume of social rent starts between 2015-16 and 2022-23.
17. **Completions to date** – To date the programme, across both tranches, has completed almost 1500 new council homes and a total of 1750 new homes, the tenure breakdown is detailed in the table below.

Table 2: Total number of completed homes across both tranches (up to 20 May 2024).				
Programme	Council homes	Intermediate	Private	Total New Homes
1000	6	0	0	6
2500	1,480	134	130	1,744
Total	1,486	134	130	1,750
As a % of completions	85%	8%	7%	

18. **Delivery by Ward** – Of the 192 schemes completed (including some acquisitions) or on site across both programme tranches development has taken place across the borough as illustrated on the summary by Ward.

Table 3: Number of schemes and new homes delivered by Ward		
Ward	Number of Schemes (completed or on site)	Number of new homes (completed or on site)
Borough & Bankside	1	1
Camberwell Green	11	77
Champion Hill	10	27
Chaucer	5	44
Dulwich Hill	4	10
Dulwich Village	2	12
Dulwich Wood	10	16
Faraday	7	613
Goose Green	1	4
London Bridge & West Bermondsey	5	102
Newington	14	82
North Bermondsey	10	49
North Walworth	3	32
Nunhead & Queens Road	12	71
Old Kent Road	26	750
Peckham	12	346
Peckham Rye	6	60
Rotherhithe	8	94
Rye Lane	5	58
South Bermondsey	12	246
St George's	3	136
St Giles	20	124
Surrey Docks	5	103
Grand Total	192	3,057

19. **Delivery by size of new homes** – A breakdown of unit size delivered;

Studio Flat Units Social	1 Bed Units Social	2 Bed Units Social	3 Bed Units Social	4 Bed Units Social	5+ Bed Units Social	Total
4	538	491	359	79	15	1,486

20. **2023/24 Delivery** – The programme is at a peak of activity and the last financial year, 2023/24, 16 schemes completed delivering a total of 557 new homes including 470 new council homes, 57 intermediate homes (Shared Ownership) and 30 private for sale homes to help pay for them. In addition 248 of these homes were family homes (two bedrooms or more) and 54 of the homes were for designed for 'over 55's'. These schemes were;

Development Scheme Name	(New) Block Name or Address
17-19 Wood Vale SE23 3DS	17-19 Wood Vale
18-19 Crimscott Street SE1 S106 purchase	18 Crimscott Street
87 Grosvenor Park	Flat 1 and Flat 2 87 Grosvenor Park
Adrian & Dennis (39-44 Rutley Close)	1-12 Adrian Court & 1-13 Dennis Court
Aylesbury_FDS Package A	Wallington Court Amodio Court
Bassano Street (Garages)	Dill Terrace
Breamore House	Breamore House
Canada Water (Plot K1) S106 Purchase	Roberts Close
Commercial Way	Block A - George Williams House Block B - Mary Ellery House Block C - Ridgeway House Block D - Bridgetower House
Fenham Road Garages	Clotelle Court
Haddonfield Garages	1-14 Cecily Dunn House
Heaton House	Heaton House
Henslowe Road (Garages)	78, 80 and 80a Henslowe Road
New Almshouse at 94-116 Southwark Park Road	Appleby Blue
Underhill Road	275, 275a and 275b Underhill Road
Workshops, 42 Braganza Street SE17	1-3 New Frederick Mews

21. In the last financial year, 2023/24, one new scheme started on site at 66 Linden Grove. This scheme will deliver 28 new council homes of which 19 are family homes (two bedrooms or more) and one four bedroom family house. The level of start on sites in the past financial year is a reflection of the challenging economic climate.

22. There are currently three major estate redevelopment schemes within the programme; Tustin Estate, Ledbury Estate and Aylesbury Estate. New homes, a range of community facilities and improvements will be delivered across multiple phases working with partners;
23. **Tustin Estate** – The Tustin Estate redevelopment will provide nearly 700 new homes, including 250 replacement council and shared equity homes, an additional 220 new council and keyworker homes, and 220 homes for private sale to help pay for it.
24. The redevelopment will also create a new central park, refurbish some of the existing council homes and create new commercial spaces in the estate. The Council is also improving the outside communal areas and creating new pedestrian and cycle routes, as well as improvements to Tustin Common.
25. Building works started on Tustin Estate in autumn 2022, and the first phase of works is expected to finish in spring 2025. The entire redevelopment is projected to be finished in 2030.
26. **Ledbury Estate** – The Ledbury Estate redevelopment will provide 340 new homes, 224 of which will be council homes to replace those from the old towers. The council will also build an additional 36 new council homes, taking the total to 260 council homes, as well as 15 shared ownership homes and 65 homes for private sale.
27. The wider neighbourhood will also benefit from landscaping and new outdoor communal areas with a large, multi-purpose garden courtyard with space for community growing, a play area and tree-lined paths creating new pedestrian and cycle friendly connections between the Old Kent Road, Pencraig Way and Bird in Bush Park to the south-west.
28. The first phase of building works on the Ledbury Estate is expected to complete in spring 2026 and the entire redevelopment is expected to be finished by 2030.
29. **Aylesbury Estate** – The Aylesbury Estate redevelopment will see 3,575 new homes and 7,800 sqm of employment, retail, healthcare and community spaces built over the coming years. The Council's Aylesbury Estate Masterplan aims to create new neighbourhoods which are integrated into the wider network of streets and spaces in Walworth.
30. There are 581 new council homes and 223 new housing association social rent homes already completed or on site on Aylesbury. This makes the estate the largest single council home building site in the country. Homes are being built in phases as older homes on the estate reach the end of their life, so residents can make one move to their new home. The redevelopment will also provide a brand new medical centre, extra care facility, green spaces, and the new Una Marson library that opened earlier in 2024.
31. **People Powered** – The new homes programme is committed to working closely with local residents to shape the way we design and build new council homes.

We value our residents' opinions, insights and knowledge of their local areas, and we want to collaborate with them to provide new homes that are not just places for people to live, but thriving, resilient communities where people of all ages can come together to support each other, succeed and enjoy life.

32. The Council's Charter of Principles sets out its approach to resident consultation and engagement, and ensures that the process of providing new council homes is inclusive and resident-led. Resident engagement is embedded in every stage of building new homes, from identifying new sites, to consultation, design, planning and delivery.
33. When new homes sites are in the early consultation phase, the council sets up small Resident Project Groups who represent the local community and meet regularly to feed in thoughts, opinions and ideas on the designs and improvements of each scheme. These groups are set up on every site where the council is considering building new homes, and use residents' opinions, insights and experiences to shape the design of the new homes and improve and enhance the surrounding area. This approach empowers residents to voice their priorities and raise any concerns relating to the design and construction of new council homes in their local area, giving the council valuable, granular insight into what works effectively at the local level.
34. At Ledbury Estate, the council's extensive pre-design community consultation work meant that local communities shared their views on what makes a successful housing estate. The council's resident engagement approach was intentionally multi-layered and was defined by its in-depth resident co-design process with the Resident Project Group and local estate residents who made critical decisions on many aspects of the project.
35. The pre-consultation concluded in a resident ballot in 2021 where 86% of the estate community voted in favour of a full estate redevelopment. The project gained unanimous approval at planning committee, a great achievement for a council-housing scheme on a dense urban site. The community engagement activity was a great success in meeting its aims to involve as many estate residents as possible in the design and decision-making process, build support for the redevelopment and ultimately design new council homes that are reflective of the needs of the community. The first phase of building works to redevelop the former Bromyard House site are now underway at Ledbury.
36. **Design Standards;** Building high quality and well-designed homes is a core mission of Southwark's new homes programme. The standards are informed by a range of policies and regulations that sit alongside Southwark's Employer's Requirements.
37. The design standards of new homes adopt green energy systems with the aim of reducing energy costs and fuel poverty and contribute towards the council's carbon net zero target. Internal and external design reflects the needs of Southwark residents and recognizes the importance of quality housing to support wider health and wellbeing of residents. In addition to homes the approach to design extends to improvements in public realm and other facilities for local communities delivered through the programme.

38. 70% of our new homes that are currently under construction will be supplied by 100% green energy systems. That proportion will rise even further as we phase out new homes reliant on fossil fuels, meaning all new homes will use alternative energy sources such as ground or air-source heat pumps.
39. All of the council's schemes with planning consents and in pre-planning have been designed with low energy provision, maximizing thermal efficiency and reducing omissions. These environmentally sustainable methods are less costly to operate, so will bring financial benefits to our residents.
40. Southwark's Employers Requirements (ERs) establish what and how the council would like new homes to be built. There have been two iterations of the ERs to reflect the changing policy and legislative landscape and build on lessons learnt throughout the programme. There are a number of key documents and policies that sit alongside the ER's to inform the design standards for the new homes programme;
 - Southwark Plan – Is also known as the Local Plan and was adopted in February 2022. It sets out the overarching vision, strategic objectives, and planning policies for development in Southwark for the period 2019 to 2036.
 - Residential Design Standards Supplementary Planning Document (SPD) – 2015 Technical Update – This is part of the supplementary planning documents within Southwark Council. This document provides a set of standards to guide and support the design of residential developments. It takes into account a range of unit types to meet housing need.
 - London Plan 2021 - This is the Spatial Development Strategy for Greater London. It sets out a framework for how London will develop over the next 20-25 years and the Mayor's vision for Good Growth. The Plan is part of the statutory development plan for London, meaning that the policies in the Plan should inform decisions on planning applications across the capital. Our Southwark Plan would typically aim to align with the London Plan, ensuring that the planning system for London operates in a joined-up way and reflects the overall strategy for how London can develop sustainably, which the London Plan sets out. Currently the requirements of the London Plan are slightly higher than what is stated in the Southwark Plan.
 - Building Regulations - The building regulations set minimum standards relating to a building's design and construction. They promote energy efficiency in buildings and contribute to meeting the needs of the people who use the building, including those with disabilities. Recent changes in to Building Regulation came into force from October 2023 along with the implementation of the Building Safety Act 2022.
 - Space standards – the Nationally defined Space Standards (NdSS) referred to as the Technical Housing Standards and seek to replace documents like the LHDG (London Housing Design Guide) and HQI (Housing Quality Indicators). This standard deals with internal space within new dwellings and is suitable for application across all tenures. It sets out requirements for

the Gross Internal (floor) Area of new dwellings at a defined level of occupancy as well as floor areas and dimensions for key parts of the home, notably bedrooms, storage and floor to ceiling height.

- South East London Housing Partnerships – Wheelchair Homes design guidelines – This document has been devised to ensure that new affordable homes for wheelchair users are provided to the necessary standards. This document exceeds the Building Regulations and is still required as a key design document to achieve wheelchair housing.
- In addition to this the GLA Housing Design Standards guidance brings together, and helps to interpret, the housing-related design guidance and policies in the London Plan. This guidance relates to London Plan Policy D6 (Housing quality and standards) and other relevant policies. In order to support designers and council officers, the document signposts and cross references the relevant policy or policies in the London Plan. It also sets out what type of development each standard applies to such as whether it is applicable to new-build development, change of use, conversions or all of these.

41. **Resourcing delivery;** Southwark Construction team has been in place for two years, since May 2022, and is charged with leading the delivery of the new homes programme and bringing together capacity and expertise. With one of the largest council house delivery programmes in the country the team has been developed to meet the changing needs of the programme and comprises a blend of in house and external skills and capacity. The team comprises around 50 industry professionals divided across three key areas;
42. Firstly, identifying potential future sites and enabling functions that focus on creating a pipeline of new homes, the delivery mechanism(s) by which this is best achieved and all the necessary due diligence, soft market testing and procurement to take schemes to market and through to contract award. The accompanying procurement paper, *GW1 Southwark Construction New Homes Programme 2022-2026 Procurement Strategy* also presented to Cabinet this month, presents the recommended approach to deliver the next tranche of new council homes in the short-medium term. In order to meet the council target of 11,000 new homes by 2043 site review and enabling will continue to be an ongoing activity undertaken by the team. The council will need to identify all opportunities and work collectively leverage its assets to maximize the number of new affordable homes.
43. Secondly, the majority of the Southwark Construction comprises teams of skilled project managers overseeing the construction and completion of new homes to exacting high quality standards, and into mainstream council services. This function includes the overall management of main contractors, development partners and professional services to ensure schemes are tightly managed whilst working closely with residents to balance new legislation, external market changes with local need and council objectives.
44. Thirdly, within Southwark Construction is the Programme Management Office that adds rigour, governance and partnership working to ensure that longer term aspirations are met and that all deliverables are carefully monitored and

controlled. This is a multidisciplinary function which also brings together shared resources such as communications, design and technical lead to maximize the quality of the homes built and seeks to ensure the council is constantly seeking to learn from experience and embed best practice into new schemes as they are built and handed over. More recently the team also includes sales and marketing expertise to support the sale of the Shared Ownership and outright sale properties within the current programme.

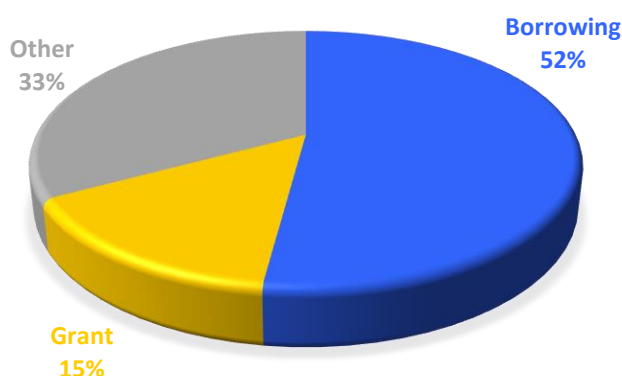
45. **Programme financial position;** the financial position of the programme is report regularly to Cabinet. As of May 2024 the overall spend and forecast position is as follows;

	Previous years spend	2024/25 Forecast	2024/25-3033/34 Total Forecast	Total projected spend
Borrowing	£396,242,079	£133,646,294	£432,749,500	£828,991,580
Grant	£168,796,495	£11,600,638	£70,745,813	£239,542,308
Other	£472,451,492	£27,008,568	£114,008,817	£586,460,309
Total	£1,037,490,066	£172,255,500	£617,504,130	£1,654,994,197

46. Southwark's new homes programme adopts a blended funding model utilizing GLA grant funding, borrowing, Section 106 receipts for affordable housing as well as Right to Buy Receipts and capital receipts generated from the sale of new shared ownership or outright sale homes. Chart 1 below illustrates that over half of the investment is made directly in the form of council borrowing.

Chart 1: Total funding split for all committed schemes in the programme, based on April 2024 forecasts.

TOTAL PROGRAMME FUNDING SPLIT



47. **Sales portfolio;** within the current programme there a limited portfolio of almost 130 shared ownership and outright sale properties being built as part of mixed tenure schemes. Shared Ownership homes provide an alternative affordable tenure for many local people and private sale help to pay for the delivery of new council homes.
48. **Lessons learnt;** reviewing all aspects of performance is embedded into the

project and programme management. Since the programme started delivering at scale lessons learnt have been shared and supported ongoing improvements. Some of the key lessons learnt to date include;

- Increased pre tender site investigations: contamination and obstruction has been a key issue in contributing to cost pressures on some schemes. In some instances these issues could have been identified with a wider scope, beyond the industry standard for pre tender site investigations. The future pipeline of schemes accounts for an enhanced approach of intrusive surveys that are being carried out to identify and mitigate site risk.
- Scale and timing; the majority of schemes were procured at a similar time and just before a period of high inflation, increased construction cost, material and labour shortages and other factors compounded by the Covid-19 pandemic. The impact of Covid-19 was that schemes were limited in labour on site and as a result all programs were extended in time. This meant additional costs by way of overheads and preliminaries (equipment, labour, and materials). Whilst this could not have been foreseen it illustrates how a diversified approach across a medium term pipeline can help to manage and mitigate major externalities.
- Regulatory change and costs: The majority of the schemes achieved planning approval a number of years ago and since this, there has been a series of changes in building regulations and fire safety guidance. This has resulted in Southwark Council being required to amend specifications to meet the new or enhanced requirements.

KEY ISSUES FOR CONSIDERATION

49. The overwhelming success of Southwark's new homes programme sets the foundation for the next phase of delivery that balances the challenging market conditions with the ongoing commitment to build new high quality homes for residents. However, it will be difficult to continue to build new homes at the same scale and pace. The council will need to utilise all avenues, through council led delivery and as enablers, to maximize affordable housing supply in order to realize its ambitious targets.
50. The existing housing delivery strategy, *'Routes to 11,000 council homes for Southwark'* sets out a range of routes for the delivery of new council homes and so the next tranche of new homes will utilise development partnerships, a well-established delivery model in the sector and already familiar to Southwark. This is set out in the accompanying procurement paper, *GW1 Southwark Construction New Homes Programme 2022-2026 Procurement Strategy*.
51. Whilst there are many successes to celebrate there remains volatility and significant pressures across the construction sector that will continue to mean direct cost pressures on the current programme. Furthermore, the risk of main contactors going into administration remains live with two recent examples affecting schemes in the programme.
52. The impact on costs, as set out in paragraphs 7, 8 and 10 has also meant that

three schemes within the programme have been paused; Bells Gardens, Lindley Estate and Sceaux Gardens. In addition the need to respond to new fire regulations has meant that plans for Styles House also had to be paused. The commitment to deliver these schemes has not changed but it remains a challenging time and an alternative approach is needed in light of the prevailing pressures on HRA funding and lack of government funding to meet the real costs of building new council homes.

53. In the next 12 months the delivery programme reaches a peak in regards to the number of planned completions. Delivering new homes at this scale is still relatively new to the council in recent decades and impacts a wide range of services and functions across the organisation. Significant work is ongoing to ensure the handovers are as smooth as possible, however it is a complex process and should be expected that new ways of working and flexibility will be needed to ensure the council's mainstream management and maintenance arrangements can adapt and that most importantly the resident experience is positive. This is a resource intensive stage of the development journey and is mirrored by any local authority with a significant new build programme.
54. Whilst a relatively small proportion of the overall programme, the completion of schemes delivering 129 Shared Ownership and private for sale properties is another relatively new business stream for the council. For sale homes help to provide much needed income to help delivery new council homes as well as presenting an opportunity to deliver homes to a wider range of Southwark's residents.

Policy framework implications

55. Council Delivery Plan; delivery of new council homes is one the council's key Delivery Plan objectives. The current target is to deliver 1,000 new council homes by 2026. As this report provides an overarching update on programme delivery there are no direct implications from this report. However, as noted elsewhere in this report recent cost pressures affecting affordability mean that some schemes have been paused thus having had a knock on impact to complete all of the 2500 homes started in the 2018-22 programme.
56. Southwark Land Commission; the emerging recommendations of the Southwark Land Commission are being considered and reflected in the future pipeline activity. There are no direct implications from this report.

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

Community impact statement:

57. This report provides an update of delivery of the new homes programme to date. Ensuring meaningful community consultation and engagement for potential housing developments as they are identified is a central part of the development process. Southwark Construction remains committed to its Resident Engagement Charter of Principles as approved by cabinet.

Equalities (including socio-economic)

58. This paper provides an update on the new homes delivery programme and has no direct equalities implications. The council's equality and diversity policies will be adhered to during each stage of the development process from appointment of contractors, design consultation through to letting of new homes. The information set out in this paper illustrates the priority placed on developing genuinely new affordable homes for Southwark residents including, adaptable homes, family homes and homes for over 55's.

Health impacts

59. The council's commitment to the delivery of new quality affordable homes supports improved health outcomes for residents in housing need.

Climate change implications

60. In June 2019, the council's cabinet agreed the resolution passed by the council assembly on 27 March 2019 to "declare a Climate Emergency and do all it can to make the borough carbon neutral by 2030." Residential buildings have a key role to play in reducing carbon emissions during development and post occupation and the design standards set out in this report enable new homes delivered by the council to seek to meet these standards.

61. In line with this, the current programme and future pipeline schemes will seek to meet the highest energy and sustainability targets in line with both the council's and GLA policies. The targets and policies required to achieve this includes:

- A net zero carbon target for all major developments (over 10 units)
- All Major developments to the 'be seen' level (as noted below)
- A requirement for all for all referable planning applications to calculate and reduce whole life-cycle carbon emissions to fully capture a development's carbon impact.

62. The energy strategy will follow the four step Energy Hierarchy outlined in the London Plan:

- Be Lean: fabric first approach with low u-values and air permeability, high efficient lighting and mechanical ventilation to reduce energy demand. This achieves the Energy Efficiency Targets under the Building Regulations
- Be Clean: connection to the local South East London Combined Heat & Power (SELCHP) district heating network for low carbon heating and hot water supply to all uses in the development
- Be Green: solar PV will be maximized in all available roof space. This achieves the Energy Efficiency Targets under the Building Regulations
- Be Seen: the development will incorporate a monitoring strategy to reduce the performance gap.

Resource implications

63. As noted within this report the Southwark Construction team was created in order to consolidate and further develop the council's in house capacity and expertise to deliver new homes. As the bulk of the projects in the programme reach completion, or new schemes are initiated with the appointment of development partners in the coming months the team will continue to remain agile as development stages and requirements change.
64. There is no recommendation to procure as part of this report. However, all future procurement led by Southwark Construction supports the council's Fairer Futures Commitment – A place to belong to, in order to ensure the council is receiving value for money and delivering added social value.

Note: Legal/Financial implications (and when to seek supplementary advice)

65. There are no legal or financial implications arising directly from the recommendations in this report.
66. As outlined, the Council's Housing Revenue Account is under considerable financial pressure, however completion of the current phase of the programme remains a priority and a Council Delivery Plan objective.
67. Financial constraints mean that alternative delivery methods are being pursued to minimize the need to borrow, this approach is set out in the accompanying procurement strategy.

Consultation

68. Comments and input from internal stakeholders have been incorporated to the report. This report has not been subject to resident consultation.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Assistant Chief Executive, Governance and Assurance REF: [CON/KM/20240506]

69. This report asks the cabinet to note the update position on the council new homes delivery programme and the achievements to date.
70. There are no legal implications arising from the recommendations in this report, but the Assistant Chief Executive and her staff will continue to provide advice to officers on any legal and governance issues arising in relation to the new homes delivery programme and individual projects.
71. 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 statement at paragraphs 57-59, setting out the

consideration that has been given to equalities issues, which the cabinet should carefully consider when noting the update position in relation to this programme. The PSED General duty is a continuing duty and will need to be further considered when later reports are brought forward for individual projects under this programme.

Strategic Director, Finance REF: (H&M 24/028)

72. This report provides an update on the council's new homes delivery programme and notes its relationship with Southwark Construction's New Homes Programme 2022-2026 Procurement Strategy, which sets out the delivery route for the next tranche of the council homes programme.
73. As the report identifies, the programme is now at a peak in terms of delivery, and this comes at a time of very challenging financial pressures for the HRA, principally as a result of high inflation, significant interest rate rises impacting on borrowing and rent capping. This has impacted on the new homes programme as well as other programmes that form part of the Housing Investment Programme, and it has been necessary to pause the development of some schemes to ensure the programme overall remains affordable for the HRA. It is also important to ensure that future phases of the programme respond appropriately to the financial pressures being faced and build upon the lessons learned to date.

REASONS FOR URGENCY

74. There are none.

REASONS FOR LATENESS

75. There are none.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Routes to 11,000: A New Council Homes Strategy for Southwark Link: please copy and paste into browser: https://modern.gov.southwark.gov.uk/documents/s88156/App%201%201000%20Homes%20Strategy.pdf	Southwark Construction, Housing 3 rd Floor, 160 Tooley Street, London, SE1 2QH	Stuart Davis 07949 897848
Southwark Construction Strategic Plan	Southwark Construction, Housing 3 rd Floor, 160 Tooley	Zoe Davies 07543 303529

Background Papers	Held At	Contact
Link: please copy and paste into browser: https://moderngov.southwark.gov.uk/documents/s112578/Report%20Southwark%20Construction%20Strategic%20Plan.pdf	Street, London, SE1 2QH	

APPENDICES

No.	Title
Appendix 1	Southwark Construction – New homes programme scheme list

AUDIT TRAIL

Cabinet Member	Councillor Helen Dennis, New Homes and Sustainable Development	
Lead Officer	Hakeem Osinaike, Strategic Director of Housing	
Report Author	Zoe Davies, Strategic Lead PMO, Southwark Construction	
Version	Final	
Dated	9 July 2024	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Assistant Chief Executive, Governance and Assurance	Yes	Yes
Strategic Director, Finance	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team		9 July 2024

Appendix 1: Southwark new homes site list

Scheme Name	Ward	Social Units	Intermediate Units	Private Units	ALL Units	Status	Programme
Rowland Hill House, Nelson Square Gardens, SE1 0LT	Borough & Bankside	1	0	0	1	Post Defects	2500
30 Caspian Street, London, SE5 7NQ	Camberwell Green	1	0	0	1	Post Defects	2500
87 Gosvenor Park	Camberwell Green	2	0	0	2	Defects	2500
Comber House Drying Rooms	Camberwell Green	6	0	0	6	On site	2500
Flat 11, Burgess House	Camberwell Green	1	0	0	1	Post Defects	2500
Flat 24, Arnot House Comber Estate, Comber Grove, London, SE5 0LA	Camberwell Green	1	0	0	1	Post Defects	2500
Goschen Estate	Camberwell Green	17	0	0	17	Post Defects	2500
Lomond Grove	Camberwell Green	22	0	0	22	On site	1000
Masterman House Garages	Camberwell Green	15	1	9	25	Post Defects	2500
Pinner House (with Comber)	Camberwell Green	1	0	0	1	Post Defects	2500
TA-Contract 1 - 134 Camberwell Road SE5 0EE (Camberwell Green Ward)	Camberwell Green	6	0	0	6	On site	2500
TA-Contract 2 - 76-78 Camberwell Road , London, SE5 0EG (Camberwell Green Ward)	Camberwell Green	5	0	0	5	On site	2500
1 & 3 Whaddon House	Champion Hill	2	0	0	2	Post Defects	2500
14 Hillcrest, Sunray Avenue, London, SE24 9PZ	Champion Hill	1	0	0	1	Post Defects	2500
6a Leconfield House, Champion Hill, SE5 8AY	Champion Hill	1	0	0	1	Post Defects	2500
8a Appleshaw	Champion Hill	1	0	0	1	Post Defects	2500
8a Birdsall	Champion Hill	1	0	0	1	Post Defects	2500
8a Holderness	Champion Hill	1	0	0	1	Post Defects	2500
East Dulwich Estate Environmental Works Phase 3	Champion Hill	0	0	0	0	Post Defects	2500
Gatebeck House	Champion Hill	9	0	0	9	Post Defects	2500
Southdown House	Champion Hill	10	8	0	18	Post Defects	2500
Whaddon House	Champion Hill	1	0	0	1	Post Defects	2500
Flat 30 Nashe House Lawson Estate Burbage Close London SE1 4ET	Chaucer	1	0	0	1	Post Defects	2500
5 Otford House	Chaucer	1	0	0	1	Post Defects	2500
Flat 13, Telford House	Chaucer	1	0	0	1	Post Defects	2500
Flat 73, Albert Barnes House	Chaucer	1	0	0	1	Post Defects	2500
LeatherMarket - Joseph Lancaster	Chaucer	40	0	0	40	Post Defects	2500
9 Barry Road	Dulwich Hill	1	0	0	1	Post Defects	2500
Crebor Street (Non HRA)	Dulwich Hill	3	0	0	3	Post Defects	2500
Henslowe Road (Garages)	Dulwich Hill	3	0	0	3	Defects	2500
Underhill Road	Dulwich Hill	3	0	0	3	Defects	2500
46 Half Moon Lane (Non HRA)	Dulwich Village	8	0	0	8	Post Defects	2500
TA-Contract 1 - 93 Herne Hill (Dulwich Village Ward) SE24 9LY	Dulwich Village	4	0	0	4	On site	2500
1 Bew Court, Lordship Lane, SE22 8PA	Dulwich Wood	1	0	0	1	Post Defects	2500
13a Beresford	Dulwich Wood	1	0	0	1	Post Defects	2500
15a Markham	Dulwich Wood	1	0	0	1	Post Defects	2500
17 Seeley Drive, London, SE21 8QP	Dulwich Wood	1	0	0	1	Post Defects	2500
17-19 Wood Vale SE23 3DS	Dulwich Wood	6	0	0	6	Defects	1000
17a & 17b Kinsey	Dulwich Wood	2	0	0	2	Post Defects	2500
23A Bew Court, Lordship Lane, SE22 8PA	Dulwich Wood	1	0	0	1	Post Defects	2500
48 Melford Court	Dulwich Wood	1	0	0	1	Post Defects	2500
Flat 10, 524 Lordship Lane	Dulwich Wood	1	0	0	1	Post Defects	2500
Flat 17, Countisbury House, Crescent Wood Road, London, SE26 6SB	Dulwich Wood	1	0	0	1	Post Defects	2500
35A Camberwell Road, SE5 0EZ (Appropriated from General Fund)	Faraday	3	0	0	3	Post Defects	2500
78 Dartford Street, London, SE17 3UB	Faraday	1	0	0	1	Post Defects	2500
Aylesbury_FDS Package A	Faraday	229	0	0	229	Defects	2500
Aylesbury_FDS Package B	Faraday	352	0	0	352	On site	2500
Camgate Mansions 15 - 21 Camberwell Road SE5 0EX (Appropriated from General Fund)	Faraday	6	0	0	6	Post Defects	2500
Flat 20, Dunnico House Alvey Estate, East Street, London, SE17 2JL	Faraday	1	0	0	1	Post Defects	2500
Ivy Church Lane Garages (Kinglake Street)	Faraday	21	0	0	21	Post Defects	2500
Bassano Street (Garages)	Goose Green	4	0	0	4	Defects	2500
169 Long Lane	London Bridge & West Bermondsey	21	0	0	21	Post Defects	2500
18-19 Crimscott Street SE1 S106 purchase	London Bridge & West Bermondsey	13	0	0	13	Defects	2500
Fendall&Maltby	London Bridge & West Bermondsey	40	0	0	40	On site	2500
Swanmead SHACCA TRA Hall, Swan Mead, SE1 4SY	London Bridge & West Bermondsey	1	0	0	1	Post Defects	2500
Weston Street Garages (Kipling Garages)	London Bridge & West Bermondsey	27	0	0	27	Post Defects	2500
15 Winchester Close, London, SE17 3DQ	Newington	1	0	0	1	Post Defects	2500
191 Garbett House, Doddington Grove, London, SE17 3TD	Newington	1	0	0	1	Post Defects	2500
Adrian & Dennis (39-44 Rutley Close)	Newington	25	0	0	25	Defects	2500
Flat 14, Arnold House, Doddington Grove, London, SE17 3SU	Newington	1	0	0	1	Post Defects	2500
Flat 22, Bateman House Brandon Estate, Otto Street, London, SE17 3PF	Newington	1	0	0	1	Post Defects	2500
Flat 23, Prescott House Brandon Estate, Hillingdon Street, London, SE17 3PH	Newington	1	0	0	1	Post Defects	2500
Flat 25, Harold Maddison House Alberta Estate, Alberta Street, London, SE17 3SG	Newington	1	0	0	1	Post Defects	2500
Flat 29, Cruden House Brandon Estate, Hillingdon Street, London, SE17 3PQ	Newington	1	0	0	1	Post Defects	2500
Flat 30, Cornish House Brandon Estate, Otto Street, London, SE17 3PE	Newington	1	0	0	1	Post Defects	2500
Flat 35, Bateman House Brandon Estate, Otto Street, London, SE17 3PF	Newington	1	0	0	1	Post Defects	2500
Flat 35, Hanworth House Brandon Estate, John Ruskin Street, London, SE5 0XF	Newington	1	0	0	1	Post Defects	2500
Pelier Street (William Cuffay House, 120 Dartford Street)	Newington	17	0	0	17	Post Defects	2500
Shops & Council Offices, Manor Place /Stopford Road SE17 [A1]	Newington	30	0	26	56	On site	2500
Workshops, 42 Braganza Street SE17 [A1]	Newington	0	3	30	33	Defects	2500
1-2 Wade House, Parkers Row, SE1 2DJ	North Bermondsey	2	0	0	2	Post Defects	2500
146 Lockwood Square	North Bermondsey	1	0	0	1	Post Defects	2500
210A Jamaica Road, SE16 4RT	North Bermondsey	1	0	0	1	Post Defects	2500
37 Lockwood Square, London, SE16 2HS	North Bermondsey	1	0	0	1	Post Defects	2500
ASC facilities - Day Centre, 345 Southwark Park SE16 [A3] [Development Agreement]	North Bermondsey	22	0	24	46	Post Defects	2500
Dombey House, Wolseley Street, SE1 2BL	North Bermondsey	1	0	0	1	Post Defects	2500
Flat 13, Cornick House, Slippers Place, London, SE16 2EL	North Bermondsey	1	0	0	1	Post Defects	2500
Nickleby House, George Row, SE16 4UW	North Bermondsey	1	0	0	1	Post Defects	2500
Slippers Estate	North Bermondsey	18	0	0	18	On site	1000
Tapley House, Wolseley Street, SE1 2BW	North Bermondsey	1	0	0	1	Post Defects	2500
Dawes House Drying Rooms Ph 1 & 2	North Walworth	5	0	0	5	Post Defects	2500

Appendix 1: Southwark new homes site list

Scheme Name	Ward	Social Units	Intermediate Units	Private Units	ALL Units	Status	Programme
Flat 23, Gower House Browning Estate, Morecambe Street, London, SE17 1DU	North Walworth	1	0	0	1	Post Defects	2500
Salisbury Est Car Park (Balfour Street)	North Walworth	26	0	0	26	On site	2500
1 Juniper House, Pomeroy Street, SE14 5BS	Nunhead & Queens Road	1	0	0	1	Post Defects	2500
14a-18 Firbank Rd	Nunhead & Queens Road	3	0	0	3	Post Defects	2500
17 Roman Way, London, SE15 2JZ	Nunhead & Queens Road	1	0	0	1	Post Defects	2500
21 Roman Way, London, SE15 2JZ	Nunhead & Queens Road	1	0	0	1	Post Defects	2500
3 Roman Way, London, SE15 2JZ	Nunhead & Queens Road	1	0	0	1	Post Defects	2500
45 & 46 Mortlock Close, SE15 2QE	Nunhead & Queens Road	1	0	0	1	Post Defects	2500
45 Montague Square, London, SE15 2LR	Nunhead & Queens Road	1	0	0	1	Post Defects	2500
Daniels Road	Nunhead & Queens Road	19	0	0	19	Post Defects	2500
Meeting House Lane [1-29 Lillac House, Dene Community Centre]	Nunhead & Queens Road	29	0	0	29	Post Defects	2500
Nunhead Site B	Nunhead & Queens Road	8	0	0	8	Post Defects	2500
TA-Contract 1 - 243 Queens Road , LONDON, SE15 2NG (Nunhead and Queen's Road Ward)	Nunhead & Queens Road	2	0	0	2	On site	2500
TA-Contract 2 - 225-227 Queens Road (Nunhead and Queen's Road Ward), Peckham, SE15 2NG	Nunhead & Queens Road	4	0	0	4	On site	2500
125 Peckham Park Road (costs in with above)	Old Kent Road	16	0	0	16	Post Defects	2500
155 Glengall Road, London, SE15 6RS	Old Kent Road	1	0	0	1	Post Defects	2500
173 Glengall Road	Old Kent Road	1	0	0	1	Post Defects	2500
20 Aylesbury House Friary Estate, Friary Road, London, SE15 1RW	Old Kent Road	1	0	0	1	Post Defects	2500
42 Aylesbury House Friary Estate, Friary Road, London, SE15 1RW	Old Kent Road	1	0	0	1	Post Defects	2500
73 Ethnard Road, London, SE15 1SB	Old Kent Road	1	0	0	1	Post Defects	2500
73 Lympstone Gardens, London, SE15 1AZ	Old Kent Road	1	0	0	1	Post Defects	2500
Breamore House	Old Kent Road	1	0	0	1	Defects	2500
Flat 14, Henslow House Lindley Estate, Peckham Park Road, London, SE15 6UP	Old Kent Road	1	0	0	1	Post Defects	2500
Flat 67, Wessex House, 375 Old Kent Road, London, SE1 5JQ	Old Kent Road	1	0	0	1	Post Defects	2500
Flat 9, Lindley House Lindley Estate, Peckham Park Road, London, SE15 6UW	Old Kent Road	1	0	0	1	Post Defects	2500
Greystoke House, Peckham park Road, SE15 7TQ	Old Kent Road	1	0	0	1	Post Defects	2500
Ledbury Towers	Old Kent Road	260	15	65	340	On site	1000
Sidmouth House, Commercial Way, SE15 1BL	Old Kent Road	3	0	0	3	Post Defects	2500
Sylvan Grove S106 purchase	Old Kent Road	80	0	0	80	Post Defects	2500
Tustin Buyback 3 Windermere Point	Old Kent Road	1	0	0	1	Post Defects	2500
Tustin Buyback 37 Ambleside Point	Old Kent Road	1	0	0	1	Post Defects	2500
Tustin Buyback 4 Windermere Point	Old Kent Road	1	0	0	1	Post Defects	2500
Tustin Buyback 44 Windermere Point	Old Kent Road	1	0	0	1	Post Defects	2500
Tustin Buyback 47 Windermere Point	Old Kent Road	1	0	0	1	Post Defects	2500
Tustin Buyback 52 Ambleside Point	Old Kent Road	1	0	0	1	Post Defects	2500
Tustin Buyback 58 Ambleside Point	Old Kent Road	1	0	0	1	Post Defects	2500
Tustin Hidden homes	Old Kent Road	13	0	0	13	Post Defects	2500
Tustin Regeneration	Old Kent Road	355	115	220	690	On site	1000
TA-Contract 3 - 25-27 Trafalgar Avenue, SE15 6NP (Old Kent Road Ward); 93 Grove Lane, SE5 8SN (S Old Kent Road	Old Kent Road	4	0	0	4	On site	2500
TA-Contract 3 - 46 Trafalgar Avenue, SE15 6NP (Old Kent Road Ward)	Old Kent Road	1	0	0	1	On site	2500
36 Pentridge Street	Peckham	1	0	0	1	Post Defects	2500
9 & 9a Pear Court	Peckham	2	0	0	2	Post Defects	2500
Cator Street Extra Care	Peckham	42	0	0	42	Post Defects	2500
Cator Street Extra Care Phase 2	Peckham	58	0	0	58	On site	2500
Commercial Way	Peckham	74	35	0	109	Defects	2500
Fenham Road Garages	Peckham	5	0	0	5	Defects	2500
Flat 2, 88 St Georges Way	Peckham	1	0	0	1	Post Defects	2500
Flat 25, Thames Court, Daniel Gardens, London, SE15 6LL	Peckham	1	0	0	1	Post Defects	2500
Flaxyard site, Sumner Road SE15 (Lot B) HZ [Direct Delivery] With Peckham Library Square	Peckham	96	24	0	120	On site	2500
Sumner Road - Site B Private Sales	Peckham	0	0	42	42	Post Defects	2500
Sumner Road Community facility I (Sumner)	Peckham	0	0	0	0	Post Defects	2500
Sumner road workshops	Peckham	66	4	0	70	Post Defects	2500
2 Linden Grove (hostels) Ph5b	Peckham Rye	6	0	0	6	On site	1000
232 Rye Hill Park, London, SE15 3JX	Peckham Rye	1	0	0	1	Post Defects	2500
66 Linden Grove	Peckham Rye	28	0	0	28	On site	1000
Flat 43, Priory Court, 1 Cheltenham Road, London, SE15 3BG	Peckham Rye	1	0	0	1	Post Defects	2500
Flat 8, Medina House Rye Hill Estate, Rye Hill Park, London, SE15 3JL	Peckham Rye	1	0	0	1	Post Defects	2500
Rye Hill Park Garages	Peckham Rye	23	0	0	23	On site	2500
49 Canute Gardens, London, SE16 2PN	Rotherhithe	1	0	0	1	Post Defects	2500
78 Westlake	Rotherhithe	1	0	0	1	Post Defects	2500
Flat 14, Balman House, Rotherhithe New Road, London, SE16 2AF	Rotherhithe	1	0	0	1	Post Defects	2500
Flat 47, Brydale House, Rotherhithe New Road, London, SE16 2PT	Rotherhithe	1	0	0	1	Post Defects	2500
Former Rotherhithe Civic Centre, Albion Street, SE16 7BS and;Rear of Albion Primary School (Southe	Rotherhithe	39	24	13	76	On site	2500
Haddonfield Garages	Rotherhithe	14	0	0	14	Defects	2500
Regina & Columbia Point (part of Canada Est QHIP row 299)	Rotherhithe	2	0	0	2	On site	2500
Tissington Silverlock Estate underground garages	Rotherhithe	35	0	0	35	On site	2500
1-27 Falcon House, Lyndhurst Way, SE15 5AS	Rye Lane	6	0	0	6	Post Defects	2500
35-41 Nunhead Lane	Rye Lane	12	0	0	12	On site	2500
Clifton Estate Garages	Rye Lane	8	0	0	8	Post Defects	2500
Copeland Road car park, SE 15 (Lot B) [Direct Delviery]	Rye Lane	24	18	25	67	Post Defects	2500
Heaton House	Rye Lane	8	0	0	8	Defects	2500
18 Drappers Way, London, SE16 3UA	South Bermondsey	1	0	0	1	Post Defects	2500
37 Cadbury Way, London, SE16 3UZ	South Bermondsey	1	0	0	1	Post Defects	2500
43 Woolstaplers Way, London, SE16 3UT	South Bermondsey	1	0	0	1	Post Defects	2500
58 Cadbury Way, London, SE16 3XB	South Bermondsey	1	0	0	1	Post Defects	2500
Cherry Gardens School, Macks Road SE16 [A4] [Development Agreement]	South Bermondsey	26	0	30	56	On site	2500
New Almshouse at 94-116 Southwark Park Road	South Bermondsey	57	0	0	57	Defects	2500
Penny Street New Homes (was petrol Stn. Old Kent Road)	South Bermondsey	13	0	11	24	On site	2500
Rennie Estate	South Bermondsey	49	0	0	49	On site	2500
Tenda Road	South Bermondsey	12	0	0	12	On site	2500
Welsford Street Garages	South Bermondsey	10	0	0	10	Post Defects	2500

Appendix 1: Southwark new homes site list

Scheme Name	Ward	Social Units	Intermediate Units	Private Units	ALL Units	Status	Programme
Willow Walk (GN)	South Bermondsey	21	0	0	21	Post Defects	2500
Willow Walk (SSA)	South Bermondsey	54	0	0	54	Post Defects	2500
Churchyard Row (HighPoint)	St George's	79	36	0	115	Post Defects	2500
Dibdin Appartments (128 – 150 Blackfriars Road) S106 purchase	St George's	56	0	0	56	Post Defects	2500
Flat 13, Gibbings House Lancaster Estate, King James Street, London, SE1 0DL	St George's	1	0	0	1	Post Defects	2500
1 Redbridge Gardens, London, SE5 7HA	St Giles	1	0	0	1	Post Defects	2500
13 Dawson House	St Giles	1	0	0	1	Post Defects	2500
13 Dryden House	St Giles	1	0	0	1	Post Defects	2500
1-62 Redbridge Gardens & 1-62 Marchwood Close (incl Bentley Hse)	St Giles	3	0	0	3	Post Defects	2500
16A Bodenev House	St Giles	1	0	0	1	Post Defects	2500
24 Mayward House	St Giles	1	0	0	1	Post Defects	2500
28A Bodenev House	St Giles	1	0	0	1	Post Defects	2500
38 Mary Datchelor Close SE5 7AX	St Giles	13	0	0	13	On site	1000
4 Mistral, Sceaux Gardens, London, SE5 7DR	St Giles	1	0	0	1	Post Defects	2500
45 Bodenev House, Peckham Road, SE5 8QL	St Giles	1	0	0	1	Post Defects	2500
64 Marchwood Close, London, SE5 7EX	St Giles	1	0	0	1	Post Defects	2500
66 Marchwood Close, London, SE5 7EX	St Giles	1	0	0	1	Post Defects	2500
82 Mcneil Road, London, SE5 8PH	St Giles	1	0	0	1	Post Defects	2500
Bentley House (Glebe Estate) (in with 1-62 Redbridge Gdns)	St Giles	1	0	0	1	Post Defects	2500
Good Neighbours House	St Giles	37	0	0	37	Post Defects	2500
Lakanal House (buy backs)	St Giles	7	0	0	7	Post Defects	2500
Lakanal New Build	St Giles	28	0	0	28	Post Defects	2500
Sedgemoor Place (TA)	St Giles	13	0	0	13	On site	2500
TA-Contract 2 - 75-77 Southampton Way, Camberwell, (St Giles Ward)	St Giles	6	0	0	6	On site	2500
TA-Contract 3 - 93 Grove Lane, SE5 8SN (St Giles Ward)	St Giles	5	0	0	5	On site	2500
1-5 Odessa Street S106 purchase	Surrey Docks	19	0	0	19	Post Defects	2500
Canada Water (Plot K1) S106 Purchase	Surrey Docks	60	19	0	79	Defects	2500
Surrey Docks, Salter Road S106 purchase BLOCK C	Surrey Docks	8	0	0	8	Post Defects	2500
Surrey Docks, Salter Road S106 purchase BLOCK E	Surrey Docks	0	10	0	10	Post Defects	2500
Surrey Docks, Salter Road S106 purchase BLOCK F	Surrey Docks	16	0	0	16	Post Defects	2500

Meeting Name:	Cabinet
Date:	22 July 2024
Report title:	GW1 - Southwark Construction New Homes Programme 2022-2026 Procurement Strategy
Cabinet Member:	Councillor Helen Dennis, New Homes and Sustainable Development
Ward(s) or groups affected:	All
Classification:	Open
Reason for lateness (if applicable):	Not Applicable

FOREWORD – COUNCILLOR HELEN DENNIS, CABINET MEMBER FOR NEW HOMES AND SUSTAINABLE DEVELOPMENT

As set out in the accompanying New Homes Update, Southwark has been at the forefront of delivering new council homes and across our extensive programme, we have to date managed to deliver 79% council housing, achieved through borrowing against future income due to the Housing Revenue Account (HRA). 3,000 new council homes have either been completed or are on site. Southwark Construction has built up a huge amount of capacity and expertise, and are currently overseeing direct delivery projects as well as a number of development agreements (DAs).

With over 17,500 households on our waiting list for social rent homes, doing nothing is not an option. The escalating housing crisis will worsen across the country if we cannot deliver social housing at the scale which is required, but given the high cost of borrowing and the pressing investment needs of our existing stock, we are proposing to bring forward the next batch of new homes schemes solely via development agreement (DA), to minimise up-front costs to the council and reduce the repayment burden on the Housing Revenue Account (HRA).

Following a soft market testing exercise and drawing on our own experiences working with development partners, we are proposing the procurement of at least two development partners through a two-stage competitive dialogue process, to work with us to deliver new homes across a number of sites from our existing pipeline which will form 'lots', delivering on our requirements as a council, and constituting a strong proposition for potential partners. The list of sites to be included in the lots will be published after the summer. This report does not presume what will come back to us as 'offers' on each of the lots and there are various points in the process outlined where we can decide not to proceed before any DA is finalised.

We will continue to review our options for housing delivery on an ongoing basis and in addition to this exercise, we may bring forward additional proposals that will allow us to increase our stock. Working through development agreements will mean an increased proportion of homes being made available for private sale in order to fund the council homes. However we will continue to do all that we can to maximise council housing delivery including through our use of grant, S106 and other receipts. We have also built up an important and well-tested model of resident engagement through the establishment of Resident Project Groups (RPGs) on individual schemes and we will ensure that any new projects put Southwark residents at their heart.

RECOMMENDATIONS

Recommendations for the Cabinet

That the cabinet:

1. Approve the procurement strategy, as detailed in paragraphs 51 to 119 to appoint development partners for mixed tenure housing schemes, including council homes and key worker homes, across at least two lots for use until 31 March 2031, using the following routes in line with the council's Contract Standing Orders (CSO) which includes:
 - a. A restricted procurement strategy or competitive dialogue, compliant with procurement regulations, in line with the Public Contract Regulations (PCR) (2015) or Procurement Act (PA) (2023), is adopted as set out in paragraphs 53 to 70 to award development agreements for at least two lots of New Homes Packages.
 - b. In lieu of a payment for the land, a pre-determined policy compliant percentage of affordable housing, including council homes and key worker homes, would be returned to the council upon completion reflecting our investment and scheme viability with the developer partner retaining the private housing, under a long lease term of up to 999 years. Other benefits, financial or otherwise may be received in addition subject to scheme feasibility and viability.
2. Note that this report affords the council a route to market by leveraging its land holdings and utilising Greater London Authority (GLA) Affordable Housing Programme Grant and other potential grant sources, such that the council can present an attractive package of opportunities to the market, in return for the delivery of new affordable homes and potentially other benefits.
3. Note that failure to make decisions on this programme in a timely fashion will hinder the ability of the council to meet target start on site dates, set by the GLA Affordable Housing Programme, which in turn would threaten a potential allocation to the council of over £116m.

4. Note that subject to the performance of the development partnership, and at the discretion of the council, further sites could be added in the future (up to 2031) which would be subject to separate approval via the IDM.
5. Note that the development agreements will include procurement of works to deliver new homes in lieu of land payment and include lease arrangements as set out in paragraph 162 to 168e.
6. Note that the initiation of the procurement exercise outlined in this Gateway (GW) 1 report and the financial position throughout all milestones, is subject to the approval of the feasibility budget by Housing Revenue Account (HRA) Recovery Board and the Strategic Director of Finance.

Recommendations for the Leader of the Council

That the Leader:

7. Delegate the final approval via IDM to the Cabinet Member for New Homes and Sustainable Development, in consultation with the Strategic Director of Housing, the Strategic Director of Finance and the Strategic Director of Planning and Growth, to agree the lotting strategy (including consideration for a portfolio approach), and subsequent approval of the final package of sites within the New Homes Packages on completion of the site due diligence exercise detailed in paragraphs 22 to 28; the delegation is subject to the sites meeting the selection criteria set out in paragraphs 24 and 36 and on the basis that there are clear exit routes pre-contract and post-contract.
8. Delegate the final approval for the preferred procurement route for at least two outlined lots in recommendation a to the Cabinet Member for New Homes and Sustainable Development, in consultation with the Strategic Director of Housing, the Strategic Director of Finance and the Strategic Director of Planning and Growth, with the further sites added in the future (up to 2031) at the discretion of the council and subject to a further IDM approval.
9. Delegate the Gateway (GW) 2 contract award decision, through one of the procurement options outlined in recommendation 1a and inclusive of the approval to divest the land for the lease, disposal or acquisition (where required), and only where award is at no additional cost to the Council, to the Cabinet Member for New Homes and Sustainable Development, in consultation with the Strategic Director of Housing, the Strategic Director of Finance, and the Strategic Director of Planning and Growth, for programmatic reasons which are set out in paragraph 89 to 92.
10. Delegate to the Cabinet Member for New Homes and Sustainable Development in consultation with the Strategic Director of Housing, in consultation with the Strategic Director of Finance, the disposal of land (including grant of leases) and acquisition of land (if there is to be any sub-

lease back to the council of affordable units and other space) in consultation with the Head of Property.

REASONS FOR RECOMMENDATIONS

11. The reasons for the recommended procurement approaches are detailed in paragraphs 14 to 39 of this report.

ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

12. The alternative options considered for this procurement are set out in paragraphs 51 to 61b.

POST DECISION IMPLEMENTATION

13. Once the recommendations within this report have been approved:
 - a. The procurement will not be initiated until the approval of the budget (see recommendation 10).
 - b. The procurement exercise will be undertaken in line with the plan outlined under the heading “Procurement project plan (key decisions)”.
 - c. The award of the contract will be subject to a GW2 under delegated approval (see recommendation 9), except if there is any cost implication to the Council (disregarding the procurement related budget – see paragraph 156). If there is any cost implication to the Council (specifically requiring additional capital borrowing) that becomes apparent as essential during the procurement exercise, then the GW2 will need approval via cabinet.
 - d. The contract management and monitoring will be undertaken in line with the approach outlined in 148 to 151.

BACKGROUND INFORMATION

14. Southwark leads the way nationally in the delivery of new council homes, bold investment at scale over the past nine years has delivered quality homes to meet local need with a programme of over 3000 new homes completed or on site.
15. The ‘Routes to 11,000 – a new council homes strategy for Southwark’ was approved in April 2020; it sets out the Southwark Construction mission statement and the council’s priority to deliver 11,000 new homes by 2043. Under this strategy, 2,500 new homes started on site since March 2022, with a commitment to start 1,000 further homes by 2026, delivering a mix of tenures, with potential to include new Keyworker Homes, in addition to other affordable products.

16. In 2022 unprecedented inflation increases placed significant cost pressures across the council's HRA portfolio including Southwark's new homes programme, these pressures started to take effect and nearly all schemes on site are facing significant cost increases. The funding that the council would have expected to have available to take forward the future pipeline is now needed to cover costs in the committed programme. This is outlined in a March 2023 cabinet report titled '*Southwark Construction Strategic Plan*' (see background documents for further reference).
17. Changes in the economy, not just inflation, but associated issues of interest rates, Brexit and war in Ukraine have exacerbated build costs, this is in the addition to the significant changes to the sector that also adversely affect the availability of finance and affordability of schemes. Namely; 7% rent ceiling in 2023/24 has reduced the council's rental income by approximately £10m per annum; changes to Building Safety and Fire regulations have significant cost implications to Southwark due to the size of its housing stock and number of tall buildings; availability of skills and labour; and, balancing carbon Net Zero and enhanced energy efficiency standards with financial parameters and growing housing need.
18. A September 2023 cabinet paper projected an HRA deficit of £13.8m, resulting in a review of the new homes programme in which some 'uncommitted' schemes were paused, to be reviewed again when affordability allowed. This procurement strategy therefore responds to these financial pressures and seeks to leverage council assets to continue to increase housing supply that meets local need, albeit in a more limited fashion which takes account of the economic downturn. The procurement strategy is based on the development of sites owned by the council, and sets out how development partnerships will play a more prominent role in delivering the next tranche of new council homes, with potential for Keyworker Homes alongside them. Outside of this programme, new council homes may still come forward via other routes, including acquisition or other forms of partnerships. Notably, the delivery of new homes on the Abbeyfield Estate will also be considered independently of this programme.
19. Whilst Southwark's new build programme has, to date, predominately been achieved through direct delivery, based on a mixed financial model that combines HRA borrowing, S106 receipts and GLA funding, there are several schemes in the current programme that are already successfully being delivered through development agreements. These include Cherry Gardens, 345 Southwark Park Road, Aylesbury Estate, Tustin Estate and Manor and Braganza. These are all mixed tenure schemes where the shared ownership and private sales properties contribute to the viability of the project and deliver much needed council homes.
20. The council would be entering into an agreement with a developer to provide the pre-construction works, housing and associated infrastructure including public realm on the site. The intended route for Southwark Construction is via a long lease (to be confirmed as part of the

development agreement, but likely to be a minimum of 250 years to 999 years) rather than sale of land, subject to the site and scheme conditions that minimise the risk to the council.

21. Development agreement structures and subsequent leases, include options whereby the provision of affordable housing to Southwark Construction could effectively become 'works in kind' in lieu of payment for the land. Such arrangements are common in the affordable housing market. Any such arrangements will be checked by both legal and tax specialists for regulatory compliance.
22. A shortlist of potential opportunities will be grouped into at least two lots for development agreements to take to market: New Homes Package for approval via IDM, as detailed in paragraph 7.
23. Potential lots, currently sitting within Southwark Construction's wider programme, will be carefully reviewed and not all sites will be taken forward. Those that are will depend on the outcome of due diligence, cost analysis and soft market testing that is ongoing, but will conclude ahead of the procurement exercise.
24. The criteria for which the sites will be selected to take to market against will be approval by all internal officer stakeholders at the Delivery Programme Board and with the Head of Property. This will include which option delivers the optimal number of affordable homes, with the minimal long-term cost to the council. The criteria will also measure the programme dates within which the sites will be delivered and those that can maximise funding streams such as the GLA grant. External advisors will be involved in assessing the criteria with officers to ensure a commercial view is taken. Findings from above will be instructed via the Lead Member by way of IDM report.
25. All confirmed sites will be reviewed by the Delivery Programme Board prior to any tendering exercise following advice from Finance, Legal, Procurement and Property. Schemes will be grouped together in lots for procurement purposes to ensure that tenders are attractive to bidders and, where possible, efficiencies are delivered.
26. Viability analysis, feedback from market engagement with developers, analysis of comparative site readiness and external commercial advice will then be combined to determine an optimal lotting strategy that maximises the agreed objectives. This analysis may also rule in and rule out certain sites.
27. Resident engagement will be highlighted as a key priority for any potential development partnership, and residents will be consulted, in line with the Charter of Principles, throughout the design (where applicable) and construction phases.

28. New sites and opportunities may also be added to the programme up to 2031 via IDM. In future and subject to the performance of the development partnership, and at the discretion of the council other sites could be added to the packages. Development agreements will allow for this provision, but any site substitution or addition will be subject to adherence to the council's decision-making processes and will require suitable approval.

Summary of the business case/justification for the procurement

29. The council has committed to the delivery of 11,000 new homes by 2043. This procurement exercise will build on the progress made to date and enable the progression of the development programme in line with both the council's commitments and budget.
30. A development agreement is a legal contract with an obligation on the developer to procure construction works and if required, other associated activities on behalf of the council. The requirement for the council to directly fund works is negated satisfying current budget pressures whilst also enabling ongoing new homes to be built for residents.
31. The council's contribution to the partnership is a transfer of an interest in the land in the form of a long lease and grant funding, potentially from the GLA (directly to the council) and other sources to help pay for the affordable housing homes. The developer would then be responsible for funding the development in its entirety, thus reducing risk to the council, as this is transferred to the development partner. The recommendation to award the contract will be based on a developer that can maximise the number of affordable homes within a policy compliant scheme, cost neutral to the council.
32. The Development Agreement contracts will also feature suitable protective clauses regarding termination (tied to the leasing of the land) in the event that a developer failed to bring a scheme forward in a contractually compliant manner. Overage clauses will also be utilised.
33. The council's direct expenses would be limited to include the cost associated with any necessary early site investigations, vacant possession costs, ongoing security costs, internal fees and costs associated with running the procurement exercise.
34. The procurement of any early site investigations would be undertaken separately in line with the council procurement rules. A proposed budget, encompassing requirements noted above, is being prepared for consideration by HRA recovery board.
35. The council's development agreement will be carefully crafted to build on best practice and lessons learnt from schemes that are currently on site or completed (paragraph 19). It will also draw on previous experience from agreements that were not fulfilled, ensuring the council avoids development partners not fulfilling their obligations, in particular there will

be a restriction on the number of sites connected to one developer. The delivery of new affordable homes will be required to meet the council's standards in terms of specifications and key processes to ensure positive resident experience and that the maintenance and management of the new homes aligns to the council mainstream housing service functions.

36. The strategic objectives of the new home development agreements are aligned to the council's priorities and will be assessed as part of the tendering process when choosing to take the sites to market and during the selection process:
 - a. Maximise the number of council homes that meet the needs of Southwark residents across all sites in line with planning policy;
 - b. Build quality new homes that meets the standards set out in the Authority's employers requirements and design guide;
 - c. Commitment to place making and contributing to the sustainability of local areas and communities;
 - d. Put residents at the heart of new development in their area;
 - e. Genuine partnership working, transparency and highest ethical standards throughout the lifetime of the partnership; and
 - f. Contribute to the council's 2030 carbon neutrality objective.
37. Development agreements provide a balance between the risks and costs associated with direct delivery whilst providing a degree of control over the design and delivery.
38. In the case of a development agreement, the terms of the contract and lease can be set out to allow for a level of control and involvement suitable to the council's prevailing requirements.
39. While some obligations prescribed in the terms of the development agreement could limit the value of the land, they will allow the council to retain control over the delivery of the project as well as provide certainty over the quality and speed of construction. All potential obligations specified in the contract will need to be carefully considered to balance areas of control the council wishes to maintain against potentially negative viability impacts which could reduce the appetite of the market to bid for these opportunities.

Market considerations

40. The council's development programme contains a range of scheme sizes. Officers therefore need to ensure that they target the appropriate developers for each of the schemes and that the schemes represent an attractive offer to these developers.

41. With significant growth in the construction market in London, there is competition for developer services. However, given the scale of Southwark's ambitious housing building programme, many developers will see working on these developments as an attractive opportunity. There is still a very high demand for construction services, with many London boroughs engaging in the development of affordable housing along similar lines (namely Development Agreement packages).
42. The country is currently experiencing relatively high inflation, and this is impacting the pricing of schemes currently being tendered. The impact for the council over the next 24 months is likely to be that the market is more competitive, and developers are more selective in terms of the projects they wish to take on. This means that it will be important for Southwark Construction to have a route to market that is robust enough to adapt to changes in the market conditions.
43. The procurement will go through a tender review and award process which includes the scheme sign off by the Managing Director for Southwark Construction before it proceeds to a GW2, which has been requested to be delegated to the Cabinet Member for New Homes and Sustainable Development, in consultation with the and the Strategic Director of Housing and the Strategic Director of Finance. Proposals will be assessed against the criteria set out in paragraph 36 and if it deemed at this point that the criteria are not being sufficiently met, the council may decide not to proceed. Scrutiny against a list of pre-determined expectations will continue throughout the procurement process.
44. The approach to lotting the site packages has been market tested with a range of developers. This engagement explored not only the approach to viability and the potential approaches to tenure distribution, but also maximising market interest through intelligent packaging of sites likely to appeal to as broad a range of developers, and those best suited to different as, as possible. This included consideration of site locations; private sales values; scheme quantum, density and building typology; and site constraints.
45. The lotting strategy will carefully consider how to achieve a balance in the sites within the respective lots. This is to ensure there isn't skewed demand from the market towards a single lot.
46. Commercial advisers are reviewing the approach to tenure distribution across the possible sites. Initial analysis suggests that some of the sites, due to their smaller size or constrained nature, may not be able to accommodate all forms of tenure (private, intermediate, and social) on a single site at once. In such circumstances it may be necessary to allow the market to propose wholly private and shared ownership, or wholly social schemes (depending on the setting). These sites would have to be taken forward together in a portfolio approach, in order to demonstrate overall policy compliance. This is further explored in paragraphs below.

47. To do otherwise and require all forms of tenure on every single site may impact scheme efficiency (especially considering new regulatory requirements concerning second stair cores to buildings over 18m) and have a potentially considerable negative impact on market interest. To rebalance, it may be necessary to link the sites in planning tenure mix terms, so that the policy is achieved in the lot overall but not necessarily on an individual site basis.
48. Taking this further, allowing a 'portfolio' approach to tenure across the lots may also bring efficiencies. By providing more private in higher value locations and more social elsewhere, overall, the value of the lot can be maximised. This supports greater viability which can be fed into greater delivery of affordable housing overall, and give the developer partner the flexibility necessary to maximise value where it can, to cross-subsidise the more difficult sites and make sure these latter are nevertheless delivered.
49. The council will also maintain another mechanism of control over this process via its role as the Local Planning Authority. The chosen developer, in conjunction with the client-side Southwark Construction team, will need to coordinate a careful planning submission approach that justifiably presents a case for a portfolio approach and the offsite provision of affordable homes from some sites. This would be controlled through developer pre-applications and where necessary planning performance agreements.
50. Taking into account the recommendations of external advisers, and in order to ensure that the process remains efficient, this cabinet paper requests that the Cabinet Member for New Homes and Sustainable Development will, in consultation with the Strategic Director of Housing and the Strategic Director of Finance, approve the proposed 'portfolio' strategy, as per recommendation 7, and as set out in the preceding paragraphs.

KEY ISSUES FOR CONSIDERATION

Options for procurement route including procurement approach

51. The current procurement regulations that are anticipated to apply to this procurement exercises are the Public Contract Regulations 2015, which will be replaced by the Procurement Act 2023 from the date of implementation (currently planned for 28 October 2024). A procurement route is needed to identify suitable development partners, and these options are explored below.

Do Nothing

52. The council has the option to do nothing and therefore not undertake this procurement exercise but doing so will directly contravene the stated commitments to deliver high-quality council homes given that the current financial position of the HRA precludes any further direct delivery due to

unaffordability. Doing nothing could be pursued until such a time where the funding position changes and then other options such as a Joint Venture or site by site delivery could be considered, however they are not currently noted as part of this report as the council is not currently in this position.

Outline of Procurement Options # 1 – Open (single stage) /Restricted (two stage) PCR Compliant Tender

53. An open / restricted PCR compliant tender process will offer the council access to the full market and allows the council to be able to demonstrate value for money. This is a route Southwark Construction has successfully used to procure developers for a wide array of projects since 2017.
54. An open tender would allow any firm interested in bidding for the opportunity to do so. The council and its agents would need to evaluate all bids in a single stage and announce a winner from this single stage of tender evaluation. The typical stages of an open procedure in the Development Agreement context would be:
 55. An invitation to tender resulting in the appointment of a bidder who will sign a development agreement with the council.
 56. A restricted variation, sometimes known as a two-stage tender would utilise a two-stage process to filter the number of bidders able to bid for the formal opportunity at the tender stage. The minimum allowed number to be considered in the second round is three, unless the council can prove that a second stage with less than three suppliers still provide genuine competition.
 57. The restricted procedure includes a selection stage where interested parties are invited to submit an expression of interest and the council is able to shortlist candidates using selection criteria which evaluate the candidates' professional capacity, technical ability and economic and financial standing.
 58. The Crown Commercial Service has mandated the use of the CCS Standard Selection Questionnaire for public services and supplies contracts, and for public works contracts an alternative selection questionnaire called the Common Assessment Standard is available.
 59. The council would likely need to allow a minimum of 30 days for bidders to respond to the selection stage and then another minimum of 30 days for the second tender.
 60. A key point of note under the restricted procedure is that negotiation with tenderers is not permitted. Where discussion and negotiation with bidders is required to ensure that appropriate solutions are obtained and/or bidders "buy-in" to the opportunity - a process that allows such input rather than one that prohibits negotiation may be better suited.

61. The typical stages of restricted procedure in a Development Agreement context are:
- a. A form of Selection Questionnaire used to filter the eligible bidders down to a limited number (ideally three)
 - b. An invitation to tender resulting in the appointment of a bidder who will sign a development agreement with the council.

Outline Of Procurement Options # 2 - Competitive Dialogue (two stage)

62. Another potential option for this procedure is to undertake a PCR compliant competitive dialogue procedure.
63. In common with the restricted procedure noted between paragraphs 53 to 61b this procurement procedure uses a two-stage filtering process drawing on a form of Selection Questionnaire. Only those tenderers who meet the selection criteria and who are shortlisted by the council will be invited to dialogue (in accordance with the selection criteria set out in the SQ).
64. The Guidance Note on the Competitive Dialogue and Competitive Procedure with Negotiation (appended to the Sourcing Playbook) is provided by Government to help guide public sector bodies. Whilst compliance with the Sourcing Playbook is only mandatory for central government departments (and their executive agencies and non-departmental public bodies), it does represent best practice and provides useful information for structuring the dialogue sessions.
65. Whilst competitive dialogue does have a reputation for elongating the procurement process, this doesn't necessarily have to be case. The SQ stage still needs to be 30 days; however, public bodies are able to set their own time limits for the second stage.
66. Once the shortlist has been determined, the council will then send out its Invitation to Participate in Dialogue and commence dialogue with the tenderers until it is able to identify a suitable solution which meets its requirements (as specified in the procurement documents). Whilst there is no set format that the dialogue must follow, it is usually made up of a series of meetings with each tenderer to discuss key aspects of the procurement (such as financial submissions, technical solutions and legal terms and conditions).
67. It is also worth noting that where it has been set out in the Contract Notice and in the tender documents, the council is able to structure the dialogue in successive phases and is permitted to further shortlist the tenderers throughout the course of the procurement (although the council will need to ensure that it maintains competitive tension throughout the process).

68. Following the identification of the preferred bidder, the council is able to carry out final negotiations with the successful bidder to confirm financial commitments or other terms contained in the tender by finalising the terms of the contract, as long as this does not materially change the essential aspects of the procurement and does not risk distorting competition or causing discrimination.
69. The typical stages of competitive dialogue procedure in a Development Agreement context are:
 - a. A form of Selection Questionnaire used to filter the eligible bidders down to a limited number (ideally 3)
 - b. An Invitation to Participate in Dialogue is sent out to bidders resulting in a discretionary number of dialogue sessions with the shortlisted bidders whereby all bidders work through rounds of dialogue to help work towards a solution to the council's requirements.
70. The result of dialogue will be an appointment of a bidder who will have worked up the best solution. This bidder will then sign a development agreement with the council.

Proposition for Procurement Route

71. Consultation with the council's commercial specialist, Montagu Evans, and procurement and legal advisors, Trowers & Hamlins, has culminated in a recommendation to undertake a competitive dialogue procedure. Whilst Competitive Procedure with Negotiation was considered, this process would ultimately result in a longer tender process and would focus on improving the commercial position of the parties in the context of the Initial Tenders, leaving minimal room for this to be improved upon. It was recommended that a competitive procedure with negotiation would not provide a full enough Initial Tender for the council to improve upon in negotiations.
72. Reasons for this recommendation, which Southwark Construction has acknowledged and accepts on the merits proposed, are as follows:
 - a. A doubt that the council or the bidders will be able to successfully conclude and submit final bids on a comprehensive pipeline of development sites under a "take it or leave it" approach such as the restricted procedure.
 - b. Likewise, given the inherent complexity of delivering a range of challenging sites the opportunity to mutually work through and towards a solution in a productive way that will deliver high-quality schemes.
 - c. Viability may present as an issue on several of the sites and even across the lots as a whole. By working constructively with

- d. The market through a dialogue processes the council can ensure there is sufficient mutual interest to work to a solution, which may on the surface 'scare' the market away.
- e. Potential weakness of the competitive dialogue route, such as the perception that it can be a comparatively elongated process, can be addressed via the design of lean timetable whereby the parameters of what is open for dialogue are pre-selected and highly targeted to fit in with the councils' expectations.

73. It is recommended that the competitive dialogue is structured to a lean format, taking advantage of the flexibility around mandated timings afforded to the council when undertaking competitive dialogue.
74. Having noted the above, Southwark Construction still believe that it's prudent to have some flexibility within the potential procurement route and as such have recommended cabinet agree (see paragraph 8) to delegate approval of the final procurement strategy to the Cabinet Member for New Homes and Sustainable Development, in consultation with the Strategic Director of Housing and the Strategic Director of Finance.

Identified risks for the procurement -

Table 1 - Outline of Key Programme Risks

Ref.	Procurement Risk	Likelihood	Risk Control
1	Insufficient interest from developers	Low	Officers will undertake some soft market testing to understand the level of interest from developers. This will be sent to roughly 20 developers with questions composed by Montagu Evans, based on industry experience and following consultation with the council on its expectations for the agreements.
2	Quality of submitted tender proposals do not meet the council's expectations	Low	Officers will ensure comprehensive project briefs that are clear and without ambiguity are produced. Tenders will be rigorously assessed during the evaluation stage. Further supporting information can be found from Paragraph 100 to 119.
3	Development costs challenge viability and a	Medium	Officers will ensure that all necessary surveys and land valuations are

Ref.	Procurement Risk	Likelihood	Risk Control
	planning compliant scheme cannot be achieved		<p>undertaken to identify any associated risk to the development cost profile.</p> <p>A draft agreement with objectives and requirements will form part of the tender packs so that minimum expectations are clearly set.</p> <p>Developers will contractually be subject to viability testing at key milestones to deliver policy compliant schemes, with proportional delivery mechanisms to deliver council homes at key milestones.</p> <p>Taking a 'portfolio approach' and allowing flexibility in tenure distribution between sites will also reduce this risk, whilst maximising value and/or affordable housing delivery.</p>
4	The affordable homes delivered by the scheme is not considered value for money	Low	<p>If a planning compliant scheme is not achievable there will be a go/no-go review point before the development agreement becomes unconditional.</p> <p>Sustaining an ongoing programme of new homes, even at a reduced volume, continues to increase affordable housing supply, in a time of considerable resource constraint for the HRA, in the borough and make best use of council assets in the medium term. This mechanism will also allow Southwark to utilise over £100m of external GLA grant that would otherwise be at risk of being allocated to other boroughs.</p>
5	Challenges to procurement outcome	Low	<p>Officers will ensure a robust procurement process in line with PCR 2015 /PA 2023 and will liaise closely with the council's procurement and legal departments.</p> <p>Appointment of external expertise to support the process including external legal team and surveyors.</p>
6	The developer partner or key	Medium	Officers will undertake financial and credit checks to ensure that only

Ref.	Procurement Risk	Likelihood	Risk Control
	suppliers cease trading, goes into administration / liquidation		<p>financially healthy companies progress.</p> <p>If required, the developer will be required to hold a performance bond (for each site within the lot) / a parent company guarantee to mitigate this risk. This will be complimented by suitable termination clauses within the agreement tied to the leasing arrangements.</p> <p>Officers will review capacity and raise any concerns and seek an appropriate route for managing this risk via regular contract management and partnership arrangements.</p>
7	Failure of a procurement process and having to choose between working with a less than ideal developer or re-tendering the project.	Medium	<p>Due diligence will be completed before process is launched inclusive of market testing.</p> <p>Officers will ensure that due consideration is given to the nature of the long-term relationship through the tender process and that the tender returns are rigorously assessed.</p> <p>Evaluation criteria will be appropriately weighted and stress tested.</p>
8	Achieving vacant possession is protracted	Medium	<p>Understanding of site use has been undertaken as part of due diligence and phasing. Officers work closely with housing services in relation to resident engagement, communicating the local offer and rehousing where required.</p> <p>In addition, sites within the lots will be arranged, in mutual agreement with development partners in orders that facilitate additional time for sites that have potentially complex issues regarding VP including party wall or existing occupiers</p>

Ref.	Procurement Risk	Likelihood	Risk Control
9	Risk that procurement process becomes protracted	Medium	Due diligence is completed prior to procurement exercise launching (including site surveys and assessment of vacant possession required). The preferred restricted two stage procurement sets out a clear timetable for both the council and bidders. Appointment of external expertise to support the process including external legal team and surveyors.

Key / Non-Key Decisions

75. This report deals with a key decision.

Policy Framework Implications

76. The new homes delivered through the Southwark Construction Programme are in line with the council's principles and vision for a new housing strategy which is aimed at increasing the availability, affordability, and quality of homes in the borough.
77. These procurement exercises support the council's Fairer Futures Commitment – homes for all. The new homes will play a key role in assisting the council achieving its target of building 11,000 new council homes by 2043.
78. This procurement exercise will be subject to the Fairer Future Procurement Framework (FFPF). Each lot within the competitive tender process undertaken will ensure that the council is receiving value for money and delivering added social value.
79. The long-term housing vision for the borough sets a clear policy direction for the council that directly impacts the delivery of the new homes set out in this report. The vision comprises four overall principles:
80. The council will use every tool at our disposal to increase the supply of all kinds of homes across Southwark.
81. The council will demand the highest standards of quality, making Southwark a place where you will not know whether you are visiting homes in private, housing association or council ownership.
82. The council will support and encourage all residents to take pride and responsibility in their homes and local areas.

83. The council will help vulnerable individuals and families to meet their housing needs and live as independently as possible.
84. In September 2023, the 2023 Southwark Land Commission Land for Good Report was published, which highlighted the following recommendations:
 - a. Put social purpose at the heart of land use
 - b. Map what's there and what isn't
 - c. Take control of our land and assets
 - d. Defend and extend affordable accommodation for all
 - e. Cherish our natural capital and decarbonisation of our land
 - f. Give the community real power and voice
 - g. Disrupt the status quo to unlock bigger changes.
85. The procurement strategy set out in this report enables the council to take forward several sites which will provide a significant number of council affordable homes, inclusive of a London Plan policy to deliver 50% affordable homes on planning policy compliant schemes (currently a minimum position of 35% social rent and 15% intermediate), with the councils own target to date being delivery of 50% council rent homes on HRA land. This will contribute to the agenda of putting social purpose at the heart of council owned land use, taking control of council owned assets, and extending affordable housing for all. It will deliver new homes to modern sustainability standards, contributing to the decarbonisation agenda on council owned land and enable community voice through the council's consultation process.
86. An external commercial advisor will collate updated viability testing of the sites, utilising appraisal analysis of the latest capacity studies and assessment of applicable market development assumptions and any known abnormal costs. This will establish a baseline of viability per site including whether each is capable of delivering policy-compliant levels of affordable housing, and if not the level of viability gap to do so, and alternatively the level of affordable housing that is the maximum viable. This will include reflecting the latest affordable housing grant utilisation advice from GLA – noting that this has a window when it can be applied, and this will need to relate to the stage of the site in planning. This will be reviewed and where suitable constructively challenged by the Head of Property.
87. With this baseline established it will be possible to determine in-principle packages of sites that are viable overall, potentially with cross-subsidy between them. This cross-subsidy could be managed by Southwark as

landowner or passed to a development partner through lotting. It may also be possible to maximise outcomes overall (value and/or affordable housing delivery) by allowing flexibility in tenure distribution between the sites (a 'portfolio approach').

88. It should be noted that implementation of the forthcoming Procurement Act 2023 will potentially introduce significant changes to the way the council undertakes procurement exercises. The programme indicates that the procurement will start during the current regulations and therefore the current regulations will apply throughout the process.

Procurement Project Plan (Key Decisions)

Activity	Complete by:
Enter Gateway 1 decision on the Forward Plan	02/10/2023
DCRB Review Gateway 1	28/05/2024
CCRB Review Gateway 1	21/03/2024
HIB/BRB Review Gateway 1 (if housing)	27/06/2024
CMT Review Gateway 1	04/06/2024
Brief relevant cabinet member (over £100k)	12/06/2024
Notification of forthcoming decision — Cabinet	12/07/2024
Approval of Gateway 1: Procurement strategy report	22/07/2024
Scrutiny Call-in period and notification of implementation of Gateway 1 decision	31/07/2024
Completion of tender documentation	29/07/2024
IDM Site Lotting Allocation Publication	02/09/2024
Publication of Find a Tender Service Notice	02/09/2024
Publication of Opportunity on Contracts Finder	02/09/2024
Closing date for receipt of expressions of interest	06/09/2024
Completion of short-listing of applicants	17/09/2024
Invitation to tender	24/09/2024
Closing date for return of tenders	31/01/2025
Completion of any clarification meetings/presentations/evaluation interviews	21/02/2025
Completion of evaluation of tenders	07/03/2025

Activity	Complete by:
Forward Plan (if Strategic Procurement) Gateway 2	31/03/2025
DCRB Review Gateway 2:	15/04/2025
CCRB Review Gateway 2	24/04/2025
Brief relevant cabinet member (over £100k)	23/04/2025
HIB/BRB Review Gateway 2 (if housing)	22/04/2025
CMT Review	23/04/2025
Notification of forthcoming decision	17/04/2025
Approval of Gateway 2: Contract Award Report	25/04/2025
End of scrutiny Call-in period and notification of implementation of Gateway 2 decision	07/05/2025
Debrief Notice and Standstill Period (if applicable)	02/06/2025
Contract award	03/06/2025
Add to Contract Register	04/06/2025
TUPE Consultation period (if applicable)	N/A
Place award notice on Find a Tender Service	09/06/2025
Place award notice on Contracts Finder	10/06/2025
Contract start	06/06/2025
Initial contract completion date	06/06/2031
Contract completion date – (if extension(s) exercised)	N/A

89. This GW1 report will be followed by the resultant GW2 reports. The timeline above is indicative in respect of the first anticipated award.
90. This report is seeking the cabinet's approval to delegate the GW2 decisions to the Cabinet Member for New Homes and Sustainable Development, in consultation with the Strategic Director of Housing and the Strategic Director of Finance (see recommendation 9) issue final instructions via an IDM report. The delegation is subject to the sites meeting the selection criteria set out in paragraphs 24 and 36. The delegation is important to ensure that the risks to market conditions and access to funding are possible to manage within the programme timescales.
91. Given the anticipated continued high inflation and high competition for developer services delegation of approval for the final chosen procurement

route (recommendation 8), final lotting packages (recommendation 7) and award of contracts (recommendation 9) to the Cabinet Member for New Homes and Sustainable Development, in consultation with the Strategic Director of Housing, and the Strategic Director of Finance, will considerably assist in ensuring that the schemes are approved in a timely manner, in line with industry standards and mitigating any negative impacts on viability. The schemes will not be able to progress to contract award without strict checks on viability, current resources and full assessment of market risk and there will be clear exit routes should the contracts not meet the key objectives pre-contract and post-contract.

92. The rationale for this delegation is to align with the current market conditions in the construction industry timescales and to adhere to grant funding timescales. As such, the delegation set out in the report will allow officers to progress contracts to meet the programme dates and will also allow the council a go/no go option ahead of any contract award.

TUPE/Pensions implications

93. Not applicable as the schemes being considered do not have existing contracts.

Development of the tender documentation

94. A new development agreement and associated schedules will be produced for the sites to be delivered as 'development agreements'.
95. There is a standard set of tender packs that were put together in anticipation for previous procurement that did not come to fruition. These will be reviewed (by project team, legal, and procurement) and adapted for the procurement activities outlined in this report.
96. Project Officers in Southwark Construction will work with the commercial advisor consultant to include the scheme specific information within the tender packs.
97. The tender packs, Invitation To Tender (ITT) questions and price/quality/social value evaluation criteria will all be reviewed as part of a process with legal and procurement team prior to the tender commencing.
98. The tender documents will usually include:
- a. Selection Questionnaire / Expression of Interest and guidance document (if required)
 - b. Instructions To Tenderers
 - c. Development agreement contract documents, amendments and terms and conditions

- d. Employers Requirements
- e. Scheme details including;
 - i Site information
 - ii Project drawings
 - iii Project plan
 - iv Relevant surveys & reports
 - v Tender evaluation methodology
 - vi Contract Sum Analysis Template/Template Appraisal
 - vii Form of Tender and necessary undertakings and certificates
 - viii Compliance table.

Advertising the contract

99. As a PCR 2015 compliant tender process is being followed the contract will be advertised by way of an official notice that will be published on the Find a Tender Service and Contracts Finder as required.

Evaluation

Procurement Option # 1 - Open (single stage) / Restricted (two stage) PCR / PA Compliant Tender

100. As an open tender would allow any interested parties to bid in a single stage. The council and its agents would then evaluate all bids and announce a winner from this single stage of tender evaluation.
101. A two stage, restricted tender process will follow the same process of a single stage process, which may result in the developer entering into an overarching delivery agreement.

Selection Questionnaire (SQ) (PAS 91) – For Restricted Processes

102. The purpose of the SQ is to create a shortlist of organisations who have demonstrated that they have sufficient technical capacity and financial and economic standing and ability to be invited to tender. In order to determine sufficient financial and economic standing, and technical capacity and ability, SQs will be evaluated in accordance with the criteria as set out in a standard SQ.

103. Following a restricted process applicants will need to pass an initial compliance stage of Pass/Fail questions which include:
- a. Company Information
 - b. Financial Information
 - c. Convictions
 - d. Public Contract Regulations
 - e. Health and Safety.
104. Tenderers will then need to pass an economic and financial standing, this will involve a credit check, an assessment of profitability and liquidity, and a review of any charges and judgements. In order to receive an overall pass, tenderers will need to satisfy the following:
- a. A good credit score and credit rating
 - b. An acceptable level of financial risk for the council.
105. Finally, tenderers will also need to answer several method statements/case studies as part of the technical section, which will be based on experience.
106. The top three bidders for each lot will be invited to submit a tender. If any other bidder is within five percent of the third highest bidder, at the council's discretion they will also be invited to tender.

Invitation to Tender (ITT)

107. The quality assessment will be undertaken through the provision of method statements which will be used to evaluate applicants against the key quality criteria. Minimum pass marks can be used where required.
108. The quality assessment will include a number of method statements based on criteria including:
- a. Delivery of the Schemes including the Commercial Model
 - b. Design, Quality & Value for Money
 - c. Legal Agreement
 - d. Capacity & Resourcing
 - e. Health/Fire Safety
 - f. Project Specific Question.

109. The social value assessment will be assessed in compliance with the current procurement and social value framework or policy. The council will endeavour to ensure the social value commitments and method of assessment provide best value to the council and its residents.
110. For the price assessment tenderers will be asked to provide a land value offer, supported by appraisal evidence and cost estimates.
111. At this stage the commercial advisor, in consultation with legal consultants, will take responsibility for reviewing:
 - a. Content and completeness of the subcontract tender package prior to issue to tender.
 - b. Programme and phasing.
 - c. Viability of scheme.
 - d. Contract Sum Analysis, in full, in order to establish value for money for each build contract for the delivery of each phase, with supporting scheme appraisals and evidence including cost plans.
112. The aspects of the financial submission will be weighted based on the maximum points awarded to the tenderer with the highest land value (to deliver the highest number of affordable homes), with each remaining tenderers' price being awarded a score based on the percentage difference between their submission and that of the most competitive.
113. Approaches to overage may also be tested.
114. The submitted tenders will be evaluated and scored by a panel, likely to be comprised of members from the:
 - a. External Commercial Consultant Advice
 - b. Strategic Lead
 - c. Project Manager
 - d. Programme Co-ordinator
 - e. Supporting internal colleagues from relevant services
115. The internal panel inclusive of the Head of Property plus external commercial consultancy advisor will recommend the highest scoring tenderers of each lot for award through a GW2 to enable the contracts to be entered into.

Procurement Option #2 - Competitive Dialogue (Two-Stage)

116. Like the restricted process, SQ responses submitted as part of the selection stage are reviewed. Tenders will need to meet the predetermined selection criteria set out in the SQ. A minimum of three suppliers will then be shortlisted and invited to dialogue based on their adherence.
117. Dialogue with shortlisted parties will then commence and continue until a suitable solution, whereby requirements can be met, is found. Each tenderer will be evaluated on a result of these dialogues. This will likely be made up of a series of meetings discussing key aspects of the procurement and will be guided by the Competitive Dialogue and Competitive Procedure with Negotiation Guidance Note, appended to the Sourcing Playbook.
118. Once these conversations have created an acceptable solution, a preferred bidder will be identified, based on their offered solution, and associated appraisal calculations (linked to land value receipt offer). If it is in the parties' interest, final negotiations may continue by finalising the terms of the contract, as long as this does not change the essential aspects of the procurement.
119. Following finalised agreement of terms, two developers, one for each lot, can be appointed on this basis.

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

Community impact statement

120. The Public Sector Equality Duty requires public bodies to consider all individuals when carrying out their day-to-day work, in shaping policy, in delivering services and in relation to their own employees. It requires public bodies to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations between different people when carrying out their activities. The council's consultation with residents on the 11,000 council homes programme has been specifically designed to be inclusive of all the borough's communities and provide a range of mechanisms to provide residents with the opportunity to engage.
121. Southwark is a borough with high levels of deprivation, low-income levels and high levels of housing need. Southwark's Housing Strategy to 2043 identifies that the supply of affordable housing in the borough outstrips demand. There is a demand for larger properties for younger families, many of whom are experiencing overcrowding.
122. Cabinet has agreed a new vision for the future housing strategy including a principle to use every tool at its disposal to increase the supply of all kinds of homes across Southwark, with Southwark Housing Strategy 2020 promoting and prioritising the delivery of council housing, Keyworker Homes and community-led housing.

123. The proposals to increase the supply of affordable, good quality homes will benefit households in need from all Southwark communities and will increase the housing options available for older people and people with disabilities.
124. Residents will continue to be consulted with during the design phase and will continue to be engaged during the life of the projects as outlined in the Charter of Principles agreed by cabinet.

Equalities (including socio-economic) impact statement

125. Pursuant to section 149 of the Equality Act 2010, the Council has a duty to have due regard in its decision-making processes to the need to:
- a. Eliminate discrimination, harassment, victimisation or other prohibited conduct.
 - b. Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not.
 - c. Foster good relations between those who share a relevant characteristic and those that do not share it.
126. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. The Public Sector Equality Duty also applies to marriage and civil partnership, but only in relation to (a) above.
127. Equalities aspects will be assessed in advance of the negotiation process. The EIA will be included as an appendix in the Gateway 2 report.
128. Successful suppliers will be required to adhere to the council's equality and diversity policies.
129. The new council homes will be available to people on the council's housing waiting list as established in the council Housing Allocation Policy for the contract period. The council's equality and diversity policies will be adhered to during the letting process.

Health impact statement

130. The provision of new quality homes provides a positive impact on health inequalities, as the new homes will be designed to current quality and space standards that will contribute towards addressing health inequalities.
131. All new homes for social rent will be allocated to existing residents/those in housing need in the borough, residents who are living in overcrowded conditions, or unsuitable housing will benefit. In addition to this rent levels are set at council rent, that are lower than London Affordable rent levels and market rent levels making them genuinely affordable.

- 132. Health and wellbeing are further addressed by providing residents with individual balconies for outdoor space, along with communal landscaping.
- 133. Many of the schemes will also see ancillary features installed within adjacent landscape such as children's play space or improved foot/roadways helping to encourage active lifestyles.
- 134. The proposals to increase the supply of affordable, good quality homes will benefit households in need from all Southwark communities, and will increase the housing options available for older people and people with disabilities.

Climate change implications

- 135. Projects procured through this GW1 process will comply with Building Regulations Part L that addresses the conservation of fuel and power, and guarantees eco-friendly efficient properties and minimise carbon emissions, as part of a drive towards a greener future.
- 136. The new homes will work towards achieving carbon neutral and sustainability requirements in line with the council's 2030 carbon neutral policy. The council will build energy efficient homes that will exceed Building Regulations and provides methods for which the occupants have full control over their energy usage.

Social Value considerations

- 137. The Public Services 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.
- 138. Social Value will be considered as part of the procurement as outlined in paragraph 137 to 138.

Economic considerations

- 139. The council is an officially accredited London Living Wage (LLW) Employer and is committed to ensuring that, where appropriate, partners and developers engaged by the council to provide works or services within Southwark pay their staff at least the LLW.
- 140. The 11,000 new homes programme is a strategically important undertaking for the council and its benefits are expected to be realised in several ways, including the recruitment of qualified staff, retention of staff and an improved service delivery to the council.
- 141. It is expected that payment of the LLW by the successful partners for these contracts will result in quality improvements for the council. These should

include a high calibre of multi-skilled operatives that will contribute to the delivery of works on site and will provide best value for the council. It is, therefore, considered appropriate for the payment of LLW to be required.

142. The successful partners will be expected to meet the LLW requirements and contract conditions requiring the payment of LLW to all employees and operatives, which will be included in the tender documents.
143. Following contract awards, the suppliers will be required collect data on employment status of their staff and any sub-contracted operatives and confirm payment of LLW. All quality improvements and any cost implications will be monitored as part of the contract review and management process.

Social considerations

144. The new housing will provide high quality affordable housing for local people in need of accommodation. Social rented homes will be allocated via Choice Based Lettings as set out in the council's Housing Allocation Policy.
145. The new social rented homes will be let at council rent levels.

Environmental/Sustainability considerations

146. By investing in high-quality, well-designed buildings and estates the council aim to achieve positive impacts which will benefit the environment and increase the stock of environmentally friendly buildings within the borough.
147. As part of the design development process, there will be a requirement for environmental assessments to be completed, with a view to identifying what impact would be caused by any proposed development.

Plans for the monitoring and management of the contract

148. 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.
149. The project clienting, including the management and administration of the developer appointments, will be run and resourced through Southwark Construction. Performance of the developer teams will be subject to constant scrutiny and monthly formal review including reviews on cost, quality and programme. The officer client team will use several mechanisms for monitoring and controlling the financial and programme performance of these contracts, including:

- a. Strategic cost plan, which will be regularly reviewed and updated as required
 - b. Regular financial statements
 - c. Review viability model at key milestones
 - d. Risk and issues log
 - e. Key Performance Indicators (KPIs) for key objectives including social value measures
 - f. Quality and change control for Southwark Council managed social homes
 - g. Maintain partnership meetings and business cases for future sites.
150. Overall programme performance resides with the Delivery Programme Board, chaired by the Strategic Director of Housing and comprising representation from council governance and strategic services.
151. Annual contract monitoring reports per scheme/project will be presented in line with CSO's.

Staffing/procurement implications

152. The staff resources deployed to this procurement is sufficient to meet the proposed timetable.
153. The project will be resourced by existing staff, within existing budgets.
154. Officer time relating to the management of this project is funded from HRA capital budgets.

Financial implications

155. 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 advice sought from Finance as required.
156. The anticipated costs to the council in advance of the procurement are being approved by the Housing Revenue Account Budget Recovery Board as set out in recommendation 6. This is a phased budget predicated on the achievement of distinct milestones linked to governance checkpoints.
157. The report is requesting approval for a procurement strategy, there are no financial implications arising directly from the report's recommendations.
158. SDLT and VAT advice will be taken for the lease arrangements.

159. Land appropriation costs for transfers from the General Fund to the HRA will need to be considered within the development of a programme feasibility budget, financed from the HRA. The value of the land being appropriated to the HRA will result in an effective transfer of debt between the general fund and the housing revenue account equal to the value of the land which will increase the interest payable by the HRA on its debt.
160. As per paragraph 46, an external commercial advisor will update viability testing of the sites utilising appraisal analysis of the latest capacity studies and assessment of applicable market development assumptions and any known abnormal costs. The outcome of this exercise will ensure that lots are optimised and help to maximise affordable housing return and minimise any potential costs to the council.

Investment implications

161. The cost of this contract will not have associated financial charges beyond those outlined in paragraph 156. However, transactions will occur in the form of land transfer under a long lease (e.g., a disposal), which will have an impact on the council's assets.

Legal implications

162. The lease arrangements will be agreed in the development agreement with the external legal advisors and in consultation with the in-house legal property team. The intention is to retain the freehold and set up lease arrangements for the developer to build and sell homes.
163. Key milestones – before proceeding – all parties expectations are met (not limited to but in particular reference to the delivered number of units and viability of scheme, connected to planning).
164. There will be a process to test viability (currently on a site-by-site basis) to provide assurance that a minimum planning compliant scheme can be achieved.
165. There will be a Land sale agreement, utilising a leaseback of returned units with the contract dictating design and number (and types) of affordable housing output leased back to the council.
166. The development partner will need to provide bids to deliver deliverable schemes that meet the council's minimum expectations in terms of tenure mix and ideally number of family homes per scheme.
167. The development partner will have to present a programme for delivery of the overall lot as part of the bid process with the detailed phasing of construction to be provided at the developer's discretion.

168. As the council will retain the freehold, the principles regarding the long-term maintenance and management agreements will be stipulated within the development agreement appendices. The general principles apply:
- a. Council to retain management and maintenance of affordable housing; Social Rent and possibly the Shared Ownership homes;
 - b. Private developer to retain management and maintenance of private homes under a lease arrangement;
 - c. Design of blocks and cores to minimise service charge costs to affordable units;
 - d. Scheme specific plans to be set out at tender stage and mechanisms within development agreement to enter into land, lease, management and maintenance agreements when the deal is unconditional; and
 - e. Adoption of a suitably amended version of the council's Employers Requirements to ensure the detail component specification are delivered and therefore in line with expectation and service arrangement for long-term management and maintenance.

Consultation

169. Residents will continue to be consulted with during the design phase and will continue to be engaged during the life of the projects as outlined in the Charter of Principles agreed by cabinet.

Other implications or issues

170. None identified.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Finance REF: [H&M 24/014]

171. This report asks cabinet to approve the procurement strategy, as detailed in paragraphs 52 - 73 of this report, to appoint development partners for mixed tenure housing schemes for the next phase of the Southwark Construction Development Programme.
172. It is critical that the pursuance of this strategy does not add revenue costs to the Housing Revenue Account, which is already under significant financial distress. As is reported elsewhere on the agenda for this meeting, the HRA overspent by £16m in the previous financial year, necessitating a draw-down on reserves and unprecedented borrowing for the Asset Management programme. The council has a plan to recover the position, and cash limits have been set in order to achieve this, therefore any revenue costs associated with the delivery of this next phase of the new

homes programme could only be contained by making compensating savings from tenant facing services, including repairs and maintenance budgets. Three key financial risks to the proposed approach include:

- The preliminary one-off costs relating to any developments which are subsequently aborted are charged to the HRA (and unbudgeted).
- The cost of appropriating land from the General Fund to Housing purposes would result in an unbudgeted revenue cost to the HRA. When land is transferred from the General Fund to Housing for the construction of new homes, a corresponding debt (to reflect the council's borrowings) is transferred to the HRA balance sheet and the associated interest payments are payable by the HRA.
- The risk that the council finds itself in a position in future years whereby additional capital is required in order to complete the delivery of these developments.

173. Before proceeding with this approach, it will be necessary to demonstrate that it will have nil cost to the HRA or that compensating savings have been identified and are deliverable.

174. It is important to ensure an appropriate control framework is established from the outset to minimise the council's exposure to both financial and non-financial risks associated with entering into development agreements of this nature. It is also important to establish contractual provisions to enable the council to control the pace of any future development to ensure it remains affordable and ensures the sustainability of the HRA.

Head of Procurement

175. This report seeks approval from Cabinet for the Southwark Construction New Homes Programme 2022-2026 Procurement Strategy procurement strategy to enter in to at least two (2) x Development Agreements for the schemes that will be recommended to the portfolio holder at no cost to the council and as detailed in recommendations / delegations and notes to Cabinet and the Leader in paragraphs 1 to 10.

176. Cabinet and the Leader are asked to note the procurement is detailed in paragraphs 51 to 74 and 94 to 119, the risks are detailed in paragraph 74 the impact on qualities, health and climate change are detailed in paragraphs 125 to 134, social value is detailed in paragraph 137 to 138, confirmation that London Living Wage will be paid is detailed in paragraph 139, management and monitoring of the contracts is detailed in paragraphs 148 to 151.

**Assistant Chief Executive – Governance and Assurance REF:
[LEG/KM/KR/20240603]**

177. This report seeks the Cabinet's approval to the procurement strategy and other associated recommendations for the Cabinet and the Leader in relation to the Southwark Construction New Homes Programme for use until March 2031 as further detailed in paragraphs 1-10. By virtue of contract standing order 6.4.3(a) the procurement strategy decision should be taken by the Cabinet (as a strategic procurement) after consideration of the report by CCRB, and delegations should be approved by the Leader under Part 3 of the council's constitution.
178. The nature and value of these works are such that they are subject to the full tendering requirements of the Public Contract Regulations 2015 (PCR 2015). As noted in paragraph 1(a) the intention is that either a restricted or competitive dialogue process is undertaken following an advert in the Find a Tender Service. The tendering requirements of the PCR 2015 are therefore satisfied with either procurement option. Advice has been sought from the council's external legal advisers who have confirmed that the competitive dialogue process may be used.
179. Cabinet is advised that the intention is to appoint development partners under development agreements, which will have no cost to the council, except those procurement costs noted as paragraph 33.
180. The report recommends approval of a procurement strategy which, if successful, will lead to the council entering into development agreements whereby the council will dispose of its land by way of long lease, in order that the land can be developed for housing.
181. The Council has powers under s123 of the Local Government Act 1972 which provides that except with the consent of the Secretary of State, a council shall not dispose of land under that section, otherwise than by way of a short tenancy, for a consideration less than the best that can reasonably be obtained.
182. Pursuant to this section, when the sites are to be disposed of by way of long lease, the Cabinet Member for New Homes and Sustainable Development, in consultation with Strategic Director of Housing, the Strategic Director of Finance and Cabinet Member for New Homes and Sustainable Development, and the Head of Property, will need to be satisfied that the consideration for the grant of the lease represents best consideration.
183. Where the land being disposed of is housing land the Council has powers under s32 of the Housing Act for its disposal, which can only be effected with the consent of the Secretary of State. The 2013 General Housing Consents provide exceptions to the requirement for Secretary of State's consent. In the situation envisaged by this report General Consents A3.1.1 (disposal of land for market value) and A3.2 (disposal of vacant land) will

be of relevance. The Cabinet Member for New Homes and Sustainable Development, in consultation with the Strategic Director of Housing, the Strategic Director of Finance, and the Head of Property, will need to be satisfied that the consideration for the grant of the lease represents market value.

184. The report also envisages the acquisition of land (leaseback of affordable units) in some cases. The Council has powers to acquire land pursuant to s120 of the Local Government Act 1972 for the purposes of any of its functions under the Local Government Act or any other enactment, or for the benefit, improvement or development of its area.
185. In addition the Council has power to acquire land under s227 of the Town and Country Planning Act 1990 for any of the purposes set out in s226 of that Act, which purposes include facilitating the carrying out of development, re-development or improvement on or in relation to the land, or which is required for a purpose which it is necessary to achieve in the interests of the proper planning of the area in which the land is situated.
186. This report also seeks approval to a number of delegations (in respect of the award decisions, agreement of packaging of sites, and the agreement of final procurement route) to the Cabinet Member for New Homes and Sustainability, in consultation with the Strategic Director of Housing, and the Strategic Director of Finance, to facilitate an efficient procurement process and award of these contracts.
187. 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 130-134 setting out the consideration that has been given to equalities issues which should be considered when approving the recommendations in this report. As noted in paragraph 127, equality impact assessments are to be undertaken once sites have been identified, further details of which will be given in the gateway 2 reports.

Director of Exchequer (For Housing contracts only)

188. This is not applicable.

Head of Property

189. The proposed arrangements to use Development Agreements and subsequent leases are widely used in the market to bring forward development, especially in respect of affordable housing.

190. The current market and financial pressures create an urgency in utilising delivery structures, other than self-delivery, to ensure the council can secure affordable homes on council owned land.

191. The proposed arrangements, subject to feasibility and viability, are likely to achieve that goal and the legal structures created will have sufficient control and provisions to ensure both delivery and also meet the requirements of best consideration.

REASONS FOR URGENCY

192. There are none.

REASONS FOR LATENESS

193. There are none.

BACKGROUND DOCUMENTS

Background Documents	Held At	Contact
Southwark Construction Strategic Plan (Cabinet Paper, Item 9)	Housing, Hub 3, Third Floor, 160 Tooley Street, London, SE1 2QH	Juliette Bartlett 02075253356
https://moderngov.southwark.gov.uk/documents/s112578/Report%20Southwark%20Construction%20Strategic%20Plan.pdf		

APPENDICES

No.	Title
None	

AUDIT TRAIL

Cabinet Member	Councillor Helen Dennis, New Homes and Sustainable Development	
Lead Officer	Hakeem Osinaike, Strategic Director of Housing	
Report Author	Juliette Bartlett, Strategic Lead, Southwark Construction	
Version	Final	
Dated	9 July 2024	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Finance	Yes	Yes
Head of Procurement	Yes	Yes
Assistant Chief Executive – Governance and Assurance	Yes	Yes
Director of Exchequer (For Housing contracts only)	N/a	N/a
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		9 July 2024

Meeting Name:	Cabinet
Date:	22 July 2024
Report title:	177 Abbey Street, SE1, Key Worker Housing and Community Facility, Gateway 1 Development Partner procurement via Pagabo Framework
Cabinet Member:	Councillor Helen Dennis, New Homes and Sustainable Development
Ward(s) or groups affected:	London Bridge and West Bermondsey
Classification:	Open

FOREWORD - COUNCILLOR HELEN DENNIS, CABINET MEMBER FOR NEW HOMES AND SUSTAINABLE DEVELOPMENT

I'm delighted to be bringing forward this report, which proposes a way forward to deliver new Keyworker Homes alongside a new Community Centre on the much loved Beormund Community Centre site in Bermondsey. The council has a stated commitment to deliver new homes for keyworkers in our borough, conscious of how challenging it can be to find affordable accommodation for those working in our borough as nurses, teachers or social care staff, to name a few. These homes will be offered as short-hold tenancies with rents capped at equivalent levels to London Living rent, as set by the Mayor of London. These are an 'intermediate' affordable housing product and will remain as keyworker homes in perpetuity. 177 Abbey Street has been identified as an appropriate pilot site and, following initial conversations with the community, it is our intention to procure a development partner to deliver this scheme on our behalf. We have identified the Pagabo Framework as the best procurement route forward and following the process set out in this report, a prospective partner will be responsible for designing a scheme that meets the brief and delivers both a new community centre and new keyworker homes for Southwark residents.

RECOMMENDATIONS

Recommendations for the Cabinet

That the cabinet:

1. approve the strategy outlined in this report to procure a Development Partner (DP), via the Pagabo Framework, to deliver, via a Development Agreement (DA) for a development at 177 Abbey Street, comprising the delivery of circa 100 Keyworker Housing (KWH) units and a community facility, and to undertake the management and maintenance of the building and the administration of the KWH lettings for a lease period of 40 years
2. approve the council underwriting 50% of the preferred bidder's costs for the Pre-Development Agreement (PDA) period, to a capped maximum £750k, payable only in the event of unsuccessful PDA outcomes (failure to achieve

Planning) from the Regeneration and Development Fund reserves, General Fund, and not payable in the event of the preferred bidder choosing to withdraw

3. approve the gateway (GW2) decision to award of the PDA to the preferred bidder be under delegated authority to the Strategic Director of Finance in consultation with the Head of Property and the Cabinet Member for New Homes and Sustainable Development
4. note that the council will enter into a DA with the preferred DP, upon successful completion of the PDA outcomes, comprising planning consent and conclusion of the detailed negotiations and estimated to take a period of between nine and 12 months
5. approve the award of the DA, disposal of land and acquisition of land, and other appropriate documentation (including the granting of a lease over the council's land for a 40-year period, an agreement for lease, and scope to grant a new lease beyond the initial lease period), be under delegated authority to the Strategic Director of Finance in consultation with the Head of Property and the Cabinet Member for New Homes and Sustainable Development
6. approve the cost of the use of the Pagabo framework, payable upon successful conclusion of the DA, anticipated to be £95k (of which £75K at signing of the DA plus 1% of the PDA costs, circa £20k
7. approve the decision with regards to any changes in the funding strategy (currently grant funding) be delegated to the Strategic Director of Finance.

REASONS FOR RECOMMENDATIONS

8. The council has committed to deliver (or implement) 500 KWH by 2026. KWH is a housing product characterised by rolling short-let tenancies at sub-market levels for essential workers (further detail is set out later in this report, under Background). This development is the pilot project for the council, which will see the first, circa 100, units delivered against the overall target.
9. The site, at 177 Abbey Street SE1, in the London Bridge and West Bermondsey Ward, is the location of the former Beormund Community Centre (further detail is set out later in this report, under Background) and abuts the Arnold Estate. It is General Fund Land. The development will deliver a 100% Affordable Intermediate Rent housing scheme as KWH and a replacement community facility.
10. The site serves very well for KWH. It is located next to Zone 1, is near to good public transport links and is within walking distance to the location of some of the borough's primary services sectors. The site offers a developable area of 870m² within the indicative proposed boundary area of circa 1,400m² (ref Appendix 1). This is suitable for a single building development; in this case, a single-tenure (one residential entrance door) KWH accommodation over a replacement community facility on the ground and first floor. The proximity to the railway viaduct, and the noise impact of that, can be managed through careful design.

11. The delivery route via a DA is recommended to realise this KWH project. This is because council cannot grant Assured Short-hold tenancies without creating a secure tenancy, so the only mechanism available to the council to deliver its KWH target is either via a council-owned property company vehicle (which is not currently in place), a DA, or third-party commercial arrangements. The council does however intend to hold a list of people from the borough eligible for KWH (further detail is set out later in this report, under Background) and the DA shall provide for first-refusal nominations to be drawn from the council's list. In this way, via the DA, the council will be delivering KWH in the borough for its key workers in line with the council commitment.
12. The value of the site will be tested through a competitive process and will be subject to the viability of any approved scheme. Whilst it may yield a positive land receipt, external advice indicates it is not expected to do at present given the 100% KWH tenure and new community space to be provided. Based on the construction value of circa £35-40m, grant funding across all units, the low rent levels of KWH product, the on-going administration of the short-hold tenancies, and the provision of a new community facility, the project is anticipated to deliver a neutral land value, which is to be expected given the tenure aspirations of the site. It should be noted that the council will retain the freehold and that any units built will return in full to council ownership and control at the end of the lease.
13. Soft-market testing has been undertaken and, in line with external advice, the findings show there is market appetite for this project. This is on the basis of a sound development opportunity on council land at nil value and supported by grant, as well as a reliable revenue rental pipeline over a 40-year lease period.
14. The award of the PDA to the preferred bidder will provide for the design to Planning as well as the conclusion of the DA negotiations. Typically, with a PDA arrangement, the council might lead and fund the design to Planning; however, in this instance, the preferred bidder will lead on, and forward-fund, the design to Planning on the basis of the council underwriting 50% the preferred bidder's costs up to £750k. A developer-led approach provides for the developer to inform the design from inception, which is deemed valuable for this pilot project; it also reflects that there no council capital fund allocation for this project. Payment of the underwriting monies by the council will only apply in the event of unsuccessful PDA outcomes (failure to achieve Planning consent) and will be subject to demonstration of reasonable endeavours by the preferred bidder. No payment will apply in the event of the preferred bidder choosing to withdraw.
15. The delegated authority to enter into the DA, upon successful PDA outcomes (Planning consent and conclusion of the DA negotiations) includes the approval to grant a lease, over the council's land, for a lease period to be set out in the DA.
16. Of the procurement routes considered to secure a DP, the recommendation to proceed through a suitable framework is based on the key criteria sought, which are: an effective timeline to respond to the Council Delivery Plan commitments target 2026; best value for money; and minimising risk.

17. Of the suitable frameworks available to the council, the recommendation to proceed with the Pagabo framework is based on the best fit for this project, which requires contractor/developer functions as well as provision of the building operator/administration functions. The Pagabo framework comprises nine developer/contractor suppliers and all have capability statements regarding managing short-term tenancies in multi-occupancy buildings. The framework is free to access until signing of the DA, upon which a percentage value fee payment to Pagabo applies; this is dependent on the framework services required, and can include compilation of all procurement documentation, including the suite of DA documents. For this project the Pagabo fee is anticipated to be £95k, (of which £75k at signing of DA plus 1% of the PDA costs, circa £20k). The council's costs for this payment to Pagabo would be aside from the maximum £750k underwriting figure, which would fall away upon signing of the DA.

ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

18. **Do nothing** – This is not an option as the council has a commitment to deliver (or implement) 500 KWH by 2026.
19. **Undertake a land disposal** - Due to the Planning stipulations regarding housing mix on public sector land (required to be 50% Affordable) and the reprovision of existing facilities (here, a community facility), this site is likely to return a negative land value as a disposal site on a planning compliant scheme. It is therefore not in the council's interest to proceed currently on this basis given other strategic housing need
20. **Deliver the development works in-house; provide the KWH Assured Short-hold tenancies directly** – The council does not have appropriate capacity to deliver the development works in-house; this would be cost prohibitive and the scheme would not be viable under such a delivery method. The council is not legally in a position to grant Assured Short-hold tenancies without creating a secure tenancy.
21. **Delivery via Land transaction route** – This route was considered and set aside in this instance. Whilst that route serves suitably for well-defined and standard sector developments, it serves less well for a pilot project such as this, where the council is seeking specific requirements for the physical scheme design, and for the operator obligations, and where relevant supplementary Planning guidance is still pending.
22. **Delivery via procurement route** - Due to the specific output requirements of this project, it is proposed to proceed through a procurement route. The procurement route enables the council to have substantial control and involvement in the project stipulations and in the design; this is particularly relevant for this KWH pilot scheme that will serve to fully test a number of council requirements. The council also retains the freehold ownership and the housing units will revert to council ownership and control at the end of the lease.
23. **The open-market procurement route** - This was considered and set aside;

whilst this procurement route would mean wide market engagement, it presents a more onerous timescale and, for this project, presents greater risk to the council. In line with Public Contracts Regulations (PCR) 2015 thresholds, the open-market process requires a full Invitation to Tender (ITT) (including the suite of draft legal documents) at Selection Questionnaire (SQ) stage, presenting a heavily front-loaded timeline and cost to the council. Whilst a two-stage process could reduce the timescales for the ITT stage (enabling analysis of fewer, shortlisted bids), the front-loaded time-bar would still apply. In summary, for this procurement, the open-market route exposes the council to greater delivery and cost risk than the framework route.

24. **Use of existing third party framework (developer)** - The framework structure is based on a pre-selected list of developer-led contractor entities who have been competitively procured through a PCR compliant tender process. The timescale is thereby shortened, requiring only expressions of interest from the framework developer entities, to move directly to the 'further competition' stage and selection of a preferred bidder. This option presents less delivery and cost risk to the council.
25. A number of developer-led frameworks exist to which the council has access; these are: the HCA DLP3; LHC; Procure Partnership; Fusion 21; Pagabo; Greater London Authority (GLA) London Developer Panel 2; Southern Construction Framework (SCF) Residential Developer Contractor Partners; Notting Hill Genesis (NHG) Developer Contractor framework. Of these eight potentially suitable frameworks, six were discounted due to not meeting one or other of the base key requirements including: developer-led input (not solely construction-led); capacity to undertake the management / administration function of short-let tenancies; flexibility to appoint a DP with a yet-to-be-developed scheme design. The two suitable shortlisted frameworks that did meet those base key requirements, Pagabo and NHG frameworks, were assessed and ranked, with the Developer-led Pagabo framework ranked higher on the basis that it already has a DA template and can offer support to the council; this framework has a specific lot for London (Southeast), which comprises six developer partner entities, with three on a reserve list. The NHG framework was ranked second due to the following points: that the compliance of the framework can only be checked upon signature of an access agreement; although it has more suppliers (21) it was unclear how many included a developer/operator arm; whilst the framework is free to access, it provides no support to users.

POST DECISION IMPLEMENTATION

26. Following the GW1 approval decision, the Invitation to Tender (ITT) will be implemented via the Pagabo framework and the bidding period will commence. Bid submissions will contain the initial design feasibility study and Project Details (equivalent to draft Heads of Terms), which will set out all the provisions of the bid proposal. Upon receipt of bids and conclusion of the evaluation process, a preferred bidder shall be selected. Subject to GW2 approval, the PDA shall be awarded to the preferred bidder, with provision for the council to underwrite the preferred bidder's legal and design costs to the capped figure for the period up to Planning consent and conclusion of the DA

27. The PDA period is anticipated to be a nine to 12-months timescale; this reflects the period of time for design development to Planning determination and also the finalisation of the detailed DA negotiations (based on the provisions set out in the Project Details of the original bid). The preferred bidder will lead on the management of the design process and enter into legal negotiations to finalise the details DA, lease arrangements and other relevant documentation. Upon a successful Planning outcome, and conclusion of the DA detailed negotiations, the DA and lease will be signed with immediate flow-through to the pre-construction design stage and site mobilisation preparations.

28. The timeline below sets out the target dates:

Key Activity	Target Completion Date
Enter Gateway 1 decision on the Forward Plan	12/03/2024
DCRB Review Gateway 1	01/05/2024
CCRB Review Gateway 1	16/05/2024
Brief relevant cabinet member (over £100k)	26/03/2024
CMT approval	16/05/2024
Notification of forthcoming decision - Cabinet	22/07/2024
Approval of Gateway 1: Procurement strategy report	22/07/2024
Scrutiny Call-in period and notification of implementation of Gateway 1 decision	29/07/2024
Completion of tender documentation and EoI	29/07/2024
EoI returned	09/08/2024
Further Competition (Invitation to tender (ITT)) issue	12/08/2024
Closing date for return of tenders	07/10/2024
Completion of any clarification meetings/presentations/evaluation interviews	18/10/2024
Completion of evaluation of tenders: selection of preferred bidder	04/11/2024
Forward Plan (if Strategic Procurement) Gateway 2	01/09/2024
DCRB Review Gateway 2:	14/11/2024
CCRB Review Gateway 2:	28/11/2024
Approval of Gateway 2: Contract Award Report	06/12/2024
Notification and publication of Gateway 2 decision	09/12/2024
Letter of Award and signed Pre Development Agreement (PDA)	16/12/2024
Planning timescale & finalisation of Development Agreement (DA): 9-12 months	06/01/2026
DA finalised	06/01/2026
Add to Contract Register	06/01/2026

Key Activity	Target Completion Date
Place award notice on Find a Tender Service	12/01/2026
Place award notice on Contracts Finder	12/01/2026
DA start	12/01/2026
Construction completion date (included in DA obligations)	12/01/2029

BACKGROUND INFORMATION

29. The KWH programme comes under the council's Delivery Plan 2022- 2026, 'Delivery of other genuinely affordable homes', and the commitment to start 500 homes for keyworkers. This project, at 177 Abbey Street, would be the council's pilot scheme for KWH and would serve to test a number of considerations to do with KWH delivery towards meeting that target commitment; a number of future pipeline KWH projects have also been identified. This project is programmed to start on site in early 2026.
30. KWH housing is a form of tenancy intended to meet the needs of lower income essential workers. The objective is to support key workers employed in a range of services in the borough, who are: not eligible for council tenancies; not able to rent or buy a home that meets their needs on the open market; and who need to live in the borough within reasonable distance to their place of work. The characteristics of KWH are summarised as: short-term tenancies of three to five years, renewable subject to eligibility; for people who are employed in identified occupations; where the maximum gross (combined) household income level threshold is capped; rent levels are capped at equivalent to London Living Rent (LLR) levels (inclusive of service charge).
31. As set out in a previous cabinet paper (Housing Intermediate Rent policy, March 2021; reference link in Background Papers table at the end of this report), there is a commitment for Housing to develop and maintain a list of people in the borough who would meet the eligibility criteria for KWH; it is not intended that the council would make direct nominations, rather that the list would be made available to landlords to draw upon for KWH lettings and that this would be the primary function of the list. Through the DP arrangement, and with the council's list in place, the council will be securing a KWH offer in the borough in line with the council commitments.
32. Planning policy is currently developing the Affordable Housing Supplementary Planning Guidance (SPD), which will include the council's definition of KWH. This will formalise the eligibility profile for KWH tenancies in Southwark, in terms of: income thresholds; recognised occupations; the short-let nature of these tenancies; the KWH product maintained in perpetuity; the rent levels equivalent to London Living Rent. The guidance also sets out provisions for 100% Intermediate scheme developments, subject to viability. The Affordable Housing SPD applies to all developments: council, partnership and private. Timescales for the formal adoption of the Affordable Housing SPD are running in parallel with this project timeline.

33. A design feasibility study has been undertaken to test the quantum and size (the massing) of accommodation possible on the site, with two possible options identified: a mid-rise massing option and a tall massing option, with up to circa 100 KWH above a replacement community centre. Both options exceed the height of the two-storey existing building on the site. Further detailed aspects of the design proposal, including the total quantum of units, the height, and the bed-size mix, will be progressed through the formal planning application process. Quantum is also important in respect of ensuring the service charge levels are supportable, as well as the delivery of housing numbers, and the proposed designs will reflect management efficiencies to support affordability.
34. A viability study has been undertaken to assess the position of a KWH scheme; based on a construction cost of circa £35-40m, grant applied to all the units in line with the guidance from the GLA Affordable Homes Programme (AHP) 2021-2026, and based on modelling over a 40-year period, the analysis indicates that the development could yield a neutral land value position. In terms of overall benefit, it is worth noting that, with the rolling three to five year short-term KWH tenancies, approximately 100 units delivered on this site, over the period of 40 years, could accommodate a throughput of up to 800 households.
35. The former Beormund Community centre has important local significance in the collective local memory as a grass-roots community-led venue. The new development shall provide a replacement facility, in line with council commitment to the community and based on previous consultation and identified need in the locality. The new proposed centre, which will be within the envelope of the KWH building but separately metered, is anticipated to deliver equivalent main spaces for community activities, though the overall area will be sized to present a manageable community premises, with the corresponding service charge, factored per square metre. It is anticipated the new centre will be run and managed by a council-appointed operator to deliver community-serving events and activities.
36. The former Beormund Community centre is currently under demolition. Following the initiative of local residents, a number of bespoke architect-designed elements – light fixings and handrails – have been salvaged from the former centre prior to demolition and it is hoped these can be re-used in the new community facility. In the interim period, between the completion of the demolition and before the start on site of the construction, in order to avoid fly-tipping or illegal occupation, the site will be let to a third party on a short term flexible basis, yet to be confirmed. Some of that interim period may also be required for archaeological excavation, given that the site is understood to be the location of potential archaeological significance. A full archaeological survey is currently being undertaken.

KEY ISSUES FOR CONSIDERATION

Summary of the business case / justification for the procurement

37. The model sought for the delivery of the mixed-use development, comprising residential units (100% KWH) and a community facility, is a DA and

subsequent lease, between the council and a DP, who would act as both investor/developer/contractor and, upon completion of the construction, as manager of the building as well as administrator of the rolling KWH short-let tenancies over the period of the lease.

38. The DA would provide for:

- the DP to provide the financing for the development over the lifespan of the lease period
- the DP to lease the land for a fixed lease period, anticipated to be 40-years; at the end of that lease period, subject to DA negotiations, the building and all the residential units would either return back to the council or be retained by the DP under a new long lease on terms to be agreed. No automatic right of renewal will be conferred; the initial lease would be outside the renewal provisions of the Landlord and Tenant Act 1954 which prevents automatic renewal and as such any arrangements will be via an option arrangement giving the council control.
- the DP to develop the scheme, providing the design and construction of the development;
- the DP to retain the KWH units, manage and maintain the building and to administer the short-let KWH tenancies for the duration of the lease period
- the DP to lease back the community facility to the council via a 40-year sublease to the council at a peppercorn, save as to a fair proportion of any relevant service charge. The level of fit-out to the space will form part of the DA negotiations and will be subject to viability. The council will select a community operator through a community panel-led selection process. The community operator would be responsible for delivering a community programme that would return sufficient revenue to cover service charges, utility bills and any rent, to be agreed. The arrangement would contain appropriate social value targets the council to put in the land
- the council to endeavour to secure GLA grant and invest in the scheme
- the council to have direct input into the DP-led design development, including: the selection of the architect
- the council to stipulate the eligibility criteria for the KWH tenancies. These would be based on those defined in the planning policy definitions and would have a priority cascade, with the council list of eligible tenants being the first priority tier.

39. Initial soft market testing indicates that there is interest in the market for this development and tenancy-management opportunity.

Identified risks for the procurement

40. Identified project risks are as set out in the table below:

Risk No	Identified Risk	Likelihood	Mitigation
1	Insufficient interest from framework providers in the tender which results in no bids	Low	The Pagabo framework features a reserve list of suppliers should the six suppliers on the framework not express interest. Soft market testing indicates there is interest from the framework providers

Risk No	Identified Risk	Likelihood	Mitigation
2	Challenges to the procurement process	Low	The use of a framework means that suppliers have met certain procurement conditions to date and there is a consistency applied by Pagabo to the tendering process. This will reduce the risk of challenge. The council will ensure compliance with the framework terms and with the procurement regulations
3	Does not achieve competitiveness and value for money	Low	The process of the framework 'further competition' bid submission ensures a competitive approach to securing a delivery partner
4	Developer becomes insolvent or no longer has the capacity to deliver scheme	Low	Robust financial assessments will be undertaken including independent financial and credit checks of businesses prior to award. Step in rights would form part of the arrangements
5	Planning permission not granted	Low	The project has already been discussed in principle with Planning, based on the Massing and Capacity Study
6	The DA and lease is not able to be finalised	Low	The DA and lease will set out the detailed provisions based on the terms already set out in the PDA

Development of the tender documentation

41. The Developer-Led Pagabo framework has a suite of ITT template documentation, including the draft DA template; these documents will be tailored and populated by the council to best fit the purpose, requirements and outcomes sought for this project.
42. The documents will be issued to the framework bidders in two stages:
- (i) Expression of Interest (EoI) pack: high-level project description and scope; EoI form;
 - (ii) Invitation to Tender (ITT) pack: Pagabo Further Competition documentation, comprising:
 - the Scheme Details (equivalent to Heads of Terms), setting out the technical, legal and commercial provisions required;
 - the structure of the procurement process, with a PDA to cover the Planning and legal agreement period;
 - the DA template;
 - the form of tender with weighted Quality, Social Value and Price questions; and the evaluation criteria.

Advertising the contract

43. Only those DP entities on the Pagabo framework would receive notification of this development opportunity.

Evaluation

44. Evaluation methodology shall be based on the council's procurement guidelines and shall take into account the guidelines set out in the Pagabo framework. Scoring weighting shall place emphasis on the Quality and Social Value.
45. The detail of the evaluation criteria and scoring methodology, shall be reviewed by the council's legal, property and procurement teams prior to issue of the launch of the ITT.

Expression of Interest (Eol) stage

46. For this stage, the six Pagabo framework bidders will be asked to express their interest in the development opportunity, based on a high-level description of the project and the requirements. Should one or more of these indicate they do not wish to bid, then the invitation will be extended to one or more of the three reserve-list bidders.
47. Along with their Eol submission, the bidders will be asked to set out high-level suitability for this project in terms confirming their ability to deliver both the developer/contractor function and the operator/administration function. This will serve to give better knowledge of the bidding entities but will not be scored. The bidders (up to six) will be issued with the ITT pack.

ITT Stage

48. For this stage, the bidders shall be asked to submit a bid proposal in response to the council's ITT pack, setting out: their Quality offer, including their approach to resident engagement design quality, construction, programme, added value, administration of short-let tenancies, and environmental sustainability; their Social Value offer; and their Price offer, including the cost of the PDA period, the overhead and profit (OHP) margin on construction, percentage fee on the Development Management, the Operator fee, and the finance fee. Bidders' submission proposals shall be sufficiently detailed to form a fixed offer back to the council; along with the Scheme Details, this shall form the basis of both the PDA and the DA.
49. Upon conclusion of the ITT evaluation, a preferred bidder (and a reserve bidder) shall be identified and the PDA shall be awarded, subject to approval of the GW2 report.

Key / Non Key decisions

50. This report deals with a key decision.

TUPE/Pensions implications

51. Not applicable.

Policy framework implications

52. The council has committed to delivering, or implementing, 500 KWH by 2026 as set out in the Council Delivery Plan in 2022.
53. The project supports the council's Fairer Futures Commitment: A place to belong to. The new homes will play a key role in assisting the council towards its target of 500 KWH homes – commenced or underway – by 2026.
54. The Southwark Plan 2022 sets out strategic policies which pertain to this project, including: Homes for All (P1); Southwark Stands Together (P13 to P18); a Green and inclusive economy (P34); Thriving neighbourhoods and tackling health inequalities (P47, P52, 53 and P54); and Climate Emergency. The Southwark plan also sets out vision principles for the wider Bermondsey area at AV.03.
55. Specific Planning policy definition regarding KWH is due to be published as part of the council's emerging Affordable Housing Supplementary Planning Document.

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

Community impact statement

56. The Equality Act 2010 and the Public Sector Equality Duty (PSED) 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. In line with these provisions, an equalities impact and needs assessment (EINA), was undertaken in May 2023 with regards to the demolition of the former Beormund Community Centre and the delivery of the development comprising KWH and a new community centre for the locality (ref Appendix 2).
57. Local residents shall continue to be consulted at each stage of the design development proposals, as outlined in the Charter of Principles agreed by cabinet.

Equalities (including socio-economic) impact statement

58. The successful DP entity shall be required to demonstrate adherence to equality and diversity in line with the council's policies. This will include the KWH letting policy as appendix to the DA.

Health impact statement

59. The provision of KWH in this location provides a positive impact on health inequalities, as the new homes will be designed to current quality and space standards that will contribute towards addressing health inequalities. All of the new homes will be allocated to essential workers in this central location, enabling all the benefits of greater proximity to their place of work, improved

travel distances and modes of transport, including cycling and walking. With this will also come shorter travel times, encouraging better work/life balance and the benefit this brings to health and mental well-being. Health and wellbeing are further addressed by providing residents with individual balconies for outdoor amenity space.

60. The re-provision of a community centre, embedded in the immediate local communities of the London Bridge and West Bermondsey area, will enable a range of community activities, events and classes aimed at addressing health, mental stimulation, thereby combatting loneliness and isolation.

Climate change implications

61. A carbon impact assessment (CIA) has been undertaken, regarding the demolition of the former Beormund Centre. This will be linked to a counterpart carbon impact assessment of the new construction, once the design of this has been completed.
62. The design of the new building will comply with Building Regulations Part L that addresses the conservation of fuel and power, and minimising carbon emissions, as part of a drive towards a greener future. The energy targets will work towards achieving carbon neutral and sustainability requirements in line with the council's 2030 carbon neutral policy.
63. The KWH agenda, which is to provide affordable dwellings in close proximity to the place of work of essential workers, directly addresses reduction in travel distances and the associated carbon emissions of vehicular transportation.

Social Value considerations

64. The Public Services (Social Value) Act 2012 requires that the council considers, before commencing a procurement process, how wider social, economic and environmental benefits that may improve the well-being of the local area can be secured. Such analysis has informed this project.

Economic considerations

65. The KWH model is designed to address affordability for essential workers on a specific income bracket by ensuring rents remain equivalent to London Living Rent (LLR), regulated and defined by the GLA on a location-by-location basis. Through short-let tenancies, governed by clear eligibility criteria, the council is ensuring that this low-rent offer is secured in perpetuity (for the life of the project) for the person-profile it is intended to serve. As set out above, over the 40-year life of the lease, the circa 100 KWH short-let units could serve up to 800 eligible households.
66. In securing the community facility at peppercorn, as a key requirement of the DA, the council will be able to pass on the space to a community operator on very reasonable terms, with the operator only liable for covering service charge per square metre, business rates and the utilities costs. This, in turn, is expected to reflect in low-fee, or free classes, sessions and activities offered to the community.

67. The council is an officially accredited London Living Wage (LLW) Employer and is committed to ensuring that, where appropriate, contractors engaged by the council to provide works or services within Southwark pay their staff at a minimum rate equivalent to the LLW rate. The tendering DP entities will be expected to meet the LLW requirements and contract conditions requiring the payment of LLW to all operatives, which will be included in the tender documents. As part of the tender process, tenderers shall also be required to confirm how productivity will be improved by payment of LLW.
68. Following award, the successful DP shall be required to collect data on employment status of their staff and any sub-contracted operatives and confirm payment of LLW over the lease period. All quality improvements and any cost implications shall be monitored as part of the contract review process.

Social considerations

69. By investing in high quality, well designed homes for essential workers the council aims to achieve positive impacts which will benefit a recognised vital sector of the workforce, typically serving front-line service functions. In providing these homes in greater proximity to the place of work, the KWH model enables greater scope for KWH residents to embed in their community, taking part in local events and, with better work/life balance, and perhaps more disposable time as a consequence, to spend more time in the locality.
70. The provision of a replacement new community space on the site of the former Beormund Community centre enables the reinstatement of that social anchor for the local communities.

Environmental/Sustainability considerations

71. The addition of this new building will increase the stock of environmentally efficient homes within the borough, offering a new housing product to serve essential workers.
72. Prior to demolition of the former Beormund Centre, the council has successfully salvaged most of the bespoke architect-design metalwork (handrails, balustrades and light fixtures) with the intention of reusing these in the new building. The initiative was led by a resident representative and will serve to establish continuity and recognition for local people in the new facility as well as being in line with good-practice reuse of materials and circular economy in construction.

Consultation

73. An open engagement event was held on the 11 March 2024, with local community, residents and ward councillors attending; officers updated on the demolition of the former Beormund Centre a set out a high-level summary of the future delivery of KWH and new community facility on the site. A further open engagement event was held on the 29 May 2024, with attendees comprising representatives from the local community and residents, and a

ward councillor; the officer set out the characteristics of the KWH product, the likely height of the proposed building, and the likely size and position of the proposed new community facility; various considerations and observations from the attendees were discussed. Further update consultation events will be held leading into the design-phase proper.

74. In line with Planning requirements, the DP will carry out consultation with local people and residents as part of the design development process up to Planning submission.
75. In line with the requirements of the ITT information, the selected DP will be expected to conduct further engagement events with local people and residents, specifically to do with the layout and fit-out of the new community facility.

Resource implications

Plans for the monitoring and management of the contract

76. The project clienting, including the management and administration of the DP, will be run and resourced through the Sustainable Growth team in the Planning and Growth department. Performance of the DP will be subject to scrutiny and regular formal review.
77. Appropriate details of this procurement will be added to the contract register via the eProcurement System.

Staffing/procurement implications

78. The project will be resourced by existing staff, within existing budgets. Professional fees for legal services, lease costs and the Pagabo fee, shall be covered from an existing capital funding allocation.

Financial implications

79. The site has constrained land-value as a residential development site on the open market due to the 50% Affordable requirements on public-sector land and the obligation to re-provide the community facility.
80. Further to external advice, the expectation is that the KWH development, through the DA, will be realised at no capital cost to the council, with the council's contribution being: putting in the land for a 40-year lease term and securing the GLA grant funding across all units (on account of this being 100% Affordable scheme). In return, the DA will deliver circa 100 KWH for Southwark essential workers, which will contribute to the council Delivery Plan target of 500 new KWH; it will also deliver a community facility, leased back to the council at peppercorn. The DP will collect and retain the rentals, which will be set at equivalent to LLR levels.
81. Under the PDA, the council will underwrite 50% of the preferred bidder's costs for the period, to a capped maximum £750k, payable only in the event of unsuccessful PDA outcomes (failure to achieve Planning) this and subject to

demonstration of the preferred bidder's best endeavours to secure Planning consent. No payment will be due if the preferred bidder chooses to withdraw. The Regeneration and Development Reserves, General Fund has been identified as the funding source for the payment, in the event that payment were due.

82. The council's costs for legal fees to conclude the DA negotiations are expected to be met from existing capital budget allocation; similarly, the Pagabo percentage fee for the use of its framework, subject to successful conclusion of the contract award, is expected to be met from the existing capital budget allocation.
83. There is no additional cost to the council for the client monitoring of the DPA, due to this being covered by existing officer personnel resources within the Sustainable Growth team, in the Planning and Growth division.

Investment implications

84. Subject to the DA and lease negotiations, it is envisaged, in line with external advice given to the council, that the DA would provide for a 40-year lease to the DP entity; upon expiry of the lease period, the building would either be retained by the DP entity on a new long lease basis, terms to be agreed, or would return to the council. It is assumed that the building specification would be constructed to a minimum 60-year service-life.

Legal implications

85. Please refer to the concurrent of the Assistant Chief Executive – Governance and Assurance.

Other implications or issues

86. None identified.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Head of Procurement

87. The report seeks the approval of cabinet for the procurement strategy outlined in the report to procure a Development Partner (DP), via the Pagabo Framework. The aim is to deliver via a Development Agreement (DA) a development at 177 Abbey Street. The development would comprise the delivery of circa 100 Key Worker Housing (KWH) units and a community facility, as well as to undertake the management and maintenance of the building and the administration of the KWH lettings for a lease period of 40 years
88. The report requests cabinet's approval for the council to underwrite 50% of the preferred bidder's costs in the PDA period, and subject to demonstration of best endeavours to achieve Planning consent. This sum is anticipated to be up to £750k, payable only in the event of unsuccessful PDA outcomes, and would be drawn from the Regeneration and Development reserves, General

Fund. It is clear that this is not payable in the event of the preferred bidder choosing to withdraw.

89. The report asked cabinet to approve the award of the DA, disposal of land and acquisition of land, and other appropriate documentation (including the granting of a lease over the council's land for a 40-year period, an agreement for lease, and scope to grant a new lease beyond the initial lease period), be under delegated authority to the Strategic Director of Finance in consultation with the Head of Property and the Head of Property and the Cabinet Member for New Homes and Sustainable Development.
90. The report seeks that cabinet approve the cost of the use of the Pagabo framework, payable upon successful conclusion of the DA, which is estimated at £95k, (of which £75k at signing of DA plus 1% of the PDA costs, circa £20k).
91. The background to this project is set out in paragraphs 29-36. The estimates for the financial basis of this project being cost neutral to the council is set out in paragraphs 79 to 83.
92. The considerations of the options considered for this procurement are in paragraphs 18-25. The risks are considered in the table at paragraph 40, whilst the timeline for this procurement project are under paragraph 28.
93. The evaluation criteria are set out at paragraph 44 and 49, with weightings being allocated to social value. The community, health, equalities and climate change impact statements are detailed at paragraphs 58-63, with social value considered at paragraphs 69-70.

Assistant Chief Executive, Governance and Assurance (Ref CD-AJ/CON/05062024)

94. This report seeks Cabinet's approval for the procurement strategy outlined in this report to procure a Development Partner (DP) via the Pagabo Framework, to deliver, via a Development Agreement (DA) for a development at 177 Abbey Street, comprising the delivery of circa 100 Key Worker Housing (KWH) units and a community facility, and to undertake the management and maintenance of the building and the administration of the KWH lettings for a lease period of 40 years
95. The council's Contract Standing Order (CSO) 5.1.2 provides that any procurement involving the use of a third party's framework agreement is subject to usual Gateway 1 procedures. This report therefore seeks approval to the use of the Pagabo Framework which is a developer led framework.
96. Cabinet's approval is sought for the cost of the use of the Pagabo Framework, payable upon successful conclusion of the DA, anticipated to be £95k (of which £75K at signing of the DA plus 1% of the PDA costs , circa £20k.
97. Cabinet is requested to approve the council underwriting 50% of the preferred bidder's costs for the Pre-Development Agreement (PDA) period, to a capped maximum of £750k, payable only in the event of unsuccessful PDA outcomes

(failure to achieve Planning) from the Regeneration and Development Fund reserves, and not payable in the event of the preferred bidder choosing to withdraw.

98. Cabinet is requested to approve the GW2 decision to award of the PDA to the preferred bidder be delegated to the Strategic Director of Finance in consultation with the Head of Property and the Cabinet Member for New Homes and Sustainable Development. Approval is also sought from cabinet to delegate the award of the DA, disposal of land and acquisition of land, and other appropriate documentation (including the granting of a lease over the council's land for a 40-year period, an agreement for lease, and scope to grant a new lease beyond the initial lease period), to the Strategic Director of Finance in consultation with the Head of Property and the Head of Property and the Cabinet Member for New Homes and Sustainable Development.
99. Cabinet is asked to note that the council will enter into a DA with the preferred DP, upon successful completion of the PDA outcomes, comprising planning consent and conclusion of the detailed negotiations and estimated to take a period of between 9 and 12 months.
100. Cabinet is also asked to approve the decision with regards to any changes in the funding strategy (currently grant funding) be delegated to the Strategic Director of Finance.
101. The reasons for the recommendations are highlighted in paragraphs 8 to 17 of this report and the alternative options considered by the council and the reasons why they have not been recommended are outlined in paragraphs 18 to 25 of this report.
102. Paragraphs 43 to 49 of this report outlines the tender process.
103. Cabinet's attention is drawn to the Public Sector Equality Duty under section 149 of the Equality Act 2010, which requires public bodies to have due regard, when making decisions, to the need to eliminate discrimination, harassment, victimisation or other prohibited conduct, advance equality of opportunity and foster good relations between persons who share a relevant protected characteristic and those who do not share it. Cabinet is specifically referred to the community, equalities (including socio-economic) and health impacts at paragraphs 56 to 60 of this report setting out the consideration that has been given to these issues, which should be considered when approving the recommendation in this report.
104. Section 1 of the Localism Act 2011 introduced a "general power of competence" for local authorities, defined in section 1(1) as "the power to do anything those individuals generally may do" and which expressly includes in section 1(4)(c) the "power to do it for, or otherwise than for, the benefit of the authority, its area or persons resident or present in its area".
105. Section 123(1) of the Local Government Act 1972 states that "Subject to the following provisions of this section, a principal council may dispose of land held by them in any manner they wish" and section 123(2), "Except with the consent of the Secretary of State, a council shall not dispose of land under

this section, otherwise than by way of a short tenancy, for a consideration less than the best that can reasonably be obtained". Section 270(1), "In this Act, except where the context otherwise requires, the following expressions have the following meanings respectively, that is to say— "land" includes any interest in land and any easement or right in, to or over land". Section 123(7)(a) states "For the purposes of this section a disposal of land is a disposal by way of a short tenancy if it consists— (a) of the grant of a term not exceeding seven years...". This is a disposal of non-HRA land and is being made using the powers within section 123(1)-(2) of the Local Government Act 1972. If it is "...for a consideration less than the best that can reasonably be obtained..." then the council would need to rely on the Disposal of land for less than the best consideration that can reasonably be obtained: circular 06/2003 ("Non-HRA Consent") or would need the consent of the Secretary of State ("SOS").

106. The Non-HRA Consent removed the requirement to obtain the Secretary of State's ("SOS") specific consent for any disposal of non-HRA land in specified circumstances, i.e. the disposal of any interest in land which the authority considers will help it to secure the promotion or improvement of the economic, social or environmental well-being of its area" and the disposal is "at less than best consideration is subject to the condition that the undervalue does not exceed £2,000,000 (two million pounds)". Legal Services are not qualified to give valuation advice – note the Non-HRA Consent refers to "...the authority should ensure that it complies with normal and prudent commercial practices, including obtaining the view of a professionally qualified valuer as to the likely amount of the undervalue" and complying with State aid rules.

Strategic Director, Finance (FC24/004)

107. This report is requesting the Cabinet to approve the strategy outlined in this report to procure a Development Partner (DP), via the Pagabo Framework, to deliver, via a Development Agreement (DA) for a development at 177 Abbey Street, comprising the delivery of circa 100 Key Worker Housing (KWH) units and a community facility, and to undertake the management and maintenance of the building and the administration of the KWH lettings for a lease period of 40 years and to approve and note other recommendations of this report.
108. The Strategic Director of Finance notes that KWH development will be realised through the DA at no capital cost to the council, with the council's contribution being: putting in the land for a 40-year lease term and securing the GLA grant funding across all units. Any legal fees or contract framework fees relating to this project will be met from existing capital budgets, as detailed in the report above. The property reverts back to Council ownership after the 40 years at no additional cost to the council, and the property is expected to have at least an additional 20 year life at such time.
109. The Strategic Director of Finance also notes that council will underwrite 50% of the preferred bidder's costs for the period, to a capped maximum £750k, payable only in the event of unsuccessful PDA outcomes and notes that no payment will be due if the preferred bidder chooses to withdraw, as detailed in the report above.

110. It is expected that in the event of this procurement failing and the Council needing to cover 50% of the costs of the DP, that the intellectual property up to the planning application etc. will form part of the handover documents expected from the DP, which will transfer all rights to use all such documents (where appropriate) in the event of pursuing subsequent planning approval.
111. The total expenditure for the scheme will be monitored and reported as part of the GW2 process.
112. Staffing and any other contract monitoring costs connected with this proposal will be contained within existing divisional revenue budgets.

Head of Property

113. The proposed arrangements in effect constitute a disposal and as such the implications of best consideration need to be considered.
114. The structure of a DA and subsequent lease, for a period of potentially 40 years, ensures the council retain the freehold of the site and the subsequent reversion of the land and all buildings at the end of the lease. The fact that the land will be injected into the project at nil consideration does not preclude that best value is being achieved.
115. As part of the final business case, testing viability, prior to the completion of the lease and commencement of construction, the values of the interests will be assessed and included to demonstrate and satisfy best consideration.
116. Given the planning requirements that would likely to be imposed if the site was to be disposed of to a developer in the market, which would negatively impact any receipt generated, the existing arrangements in property terms, create a potentially significant and valuable asset of some 100 residential units and community space for the council, constructed and funded from non-council resources save as the land, albeit deferred some 40 years.
117. On reversion and subject to planning, the council would hold a valuable building capable of being sold as market units, retained as KWH or repurposed as social housing.
118. Notwithstanding the potential significant property benefits, this arrangement delivers substantial important social value in supporting key workers in providing homes for this sector with the evident benefits to the wider community and those specific employment sectors.

BACKGROUND DOCUMENTS

Background Documents	Held At	Contact
Housing Intermediate Rent policy	Cabinet paper March 2021	C Brownell Catherine.brownell@southwark.gov.uk
Link: https://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?Id=7323		
Appendix 1 (of the above)	Cabinet paper March 2021	C Brownell Catherine.brownell@southwark.gov.uk
Link: https://moderngov.southwark.gov.uk/documents/s94510/Appendix%20A.pdf		

APPENDICES

No	Title
Appendix 1	Indicative Site Plan
Appendix 2	Equalities and Needs Assessment EqINA

AUDIT TRAIL

Cabinet Member	Councillor Helen Dennis, New Homes and Sustainable Development	
Lead Officer	Director of Planning and Growth	
Report Author	Programme Manager, Sustainable Growth North	
Version	Final	
Dated	9 July 2024	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Finance	Yes	Yes
Head of Procurement	Yes	Yes
Head of Property	Yes	Yes
Assistant Chief Executive Governance and Assurance – Contract	Yes	Yes
Assistant Chief Executive Governance and Assurance – Property	Yes	Yes
Contract Review Boards		
Departmental Contract Review Board	Yes	Yes
Corporate Contract Review Board	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team		9 July 2024

Meeting Name:	Cabinet
Date:	22 July 2024
Report title:	Affordable Housing Supplementary Planning Document
Cabinet Member:	Councillor Helen Dennis, New Homes and Sustainable Development
Ward(s) or groups affected:	All
Classification:	Open
Reason for lateness (if applicable):	N/a

FOREWORD - COUNCILLOR HELEN DENNIS, CABINET MEMBER FOR NEW HOMES AND SUSTAINABLE DEVELOPMENT

The delivery of genuinely affordable housing, and social rent homes in particular, is an immensely pressing priority in Southwark, and one which underpins the Southwark Plan and our requirements from those who want to invest in our borough. With over 17,500 households on our own waiting list, and with many others struggling to find affordable properties to rent or buy, it is imperative that the council and its partners work tirelessly to find solutions and remain committed to maximising affordable housing through development.

I am delighted that Southwark is leading the way in London on social rent, with 550 completions, the most in any London borough in 2023/4. But we still have much more to do in order to meet demand and this SPD sets out more detail on how our Southwark Plan policies can be implemented, including in relation to small sites and student accommodation. The SPD also provides more detail on intermediate housing options including our aspiration in Southwark to deliver Keyworker Homes and Community Land Trusts.

RECOMMENDATIONS

Recommendations for the Cabinet

1. To agree the Affordable Housing Supplementary Planning Document (SPD) for public consultation.
2. To note the consultation plan and supporting documentation.

Recommendations for the Leader of the Council

3. Not applicable.

REASONS FOR RECOMMENDATIONS

4. Regulation 12 (1) of the Town and Country Planning (Local Planning) (England) Regulations 2012 requires a Local Authority to publicly consult on an SPD before it can be adopted.

ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

5. No alternative option has been considered as the proposed recommendation is a statutory requirement.

POST DECISION IMPLEMENTATION

6. Public consultation on the Affordable Housing SPD.
7. In accordance with Southwark's statement of community involvement (SCI), the draft SPD will be available for comment for a minimum of twelve weeks. Additional time will also be added to the consultation to account for the summer period. Full details of the public consultation can be found in Appendix 2: Consultation plan.
8. The consultation will run from 7th August 2024 until 27th November 2024.
9. Once the public consultation is complete, the SPD will then be prepared for adoption. Officers will review the public consultation responses and make any amendments to the SPD where necessary.
10. The recommendation to adopt the SPD will be brought before Cabinet in May 2025.

Key Activity	Target completion date
Public consultation of the Affordable Housing SPD begins	7 August 2024
Public consultation of the Affordable Housing SPD concludes	27 November 2024
Amendments to Affordable Housing SPD (where necessary) following public consultation responses	December 2024
Adoption of Affordable Housing SPD by Cabinet	May 2025

BACKGROUND INFORMATION

11. This Affordable Housing SPD will replace the previous Affordable Housing SPD (2008) and draft Affordable Housing SPD (2011).

12. The SPD has been updated to reflect changes to national, regional and local policies. This includes changes to the National Planning Policy Framework (2023) and the adoption of the London Plan (2021) and the Southwark Plan (2022).
13. The SPD should be read alongside the council's Development Viability SPD (2016) and Draft Section 106 and CIL SPD (2024) (Subject to consultation).

KEY ISSUES FOR CONSIDERATION

General

14. Southwark requires more affordable housing to meet the needs of all residents and to achieve the Council's strategic policies. This was established in the Strategic Housing Market Assessment (SHMA) 2019. The SHMA demonstrated the local need for more affordable housing, both social rented and intermediate.
15. The purpose of the SPD is to set out the council's approach to delivering affordable housing. This is a key objective of the Southwark Plan 2022, outlined in strategic policy SP1 'Homes for all'.
16. The SPD will be relevant to all applications where planning policy requires affordable housing. It will provide detailed guidance to applicants on how to deliver a policy compliant scheme.
17. The SPD has the following objectives:
 - Support the implementation of Southwark Plan (2022) strategic policy SP1 'Homes for all'
 - Provide clear definitions of what is considered affordable housing
 - Set out the hierarchy for the delivery of affordable housing, including for small sites and non-conventional housing
 - Set out the Council's approach to assessing viability during the determination of planning application and in viability reviews
 - Set out the standards for the housing mix and tenure of affordable housing
 - Set out the expectations for the design and management of affordable housing
 - Set out monitoring arrangements to retain affordable housing.
18. The SPD applies to all housing development (including new build, change of use, conversions and extensions) with a policy requirement for affordable housing. It provides detailed guidance about how decisions on planning applications will be made. This includes:
 - Social rented housing

- Intermediate housing
- Key worker housing
- Small sites development
- Self and custom build development
- Community Land Trusts (CLTs)
- Purpose built student accommodation
- Houses in Multiple occupation (HMOs)
- Wheelchair accessible housing.

Mortgagee in Possession

19. In January 2023, Cabinet approved the use of the Greater London Authority's (GLA) standard Mortgagee in Possession clause. This was approved for use until 31 December 2024.
20. To support this, guidance has been included in the SPD on the clause.
21. This clause provides for any circumstance where a Registered Provider defaults on loan payments or any other terms. A mortgagee (or other relevant funding party) takes control of the Registered Provider's interest in the affordable housing units as assets against which their loan is secured.
22. This clause allows for another Registered Provider to purchase the affordable housing units within a specified timeframe known as the 'moratorium period' under a prescribed procedure. This clause has been standardised by the GLA to ensure a consistent approach and speed up decision making in London.
23. A robust financial case must be set out the Registered Provider if it does not want the council to include the GLA's standard clause.
24. By including this guidance, the SPD will provide the authority to continue using the GLAs standard clause after the expiry of the delegated authority provided by Cabinet.

Key Worker Housing (KWH)

25. Key workers perform essential work and are critical to many important services in the borough and in London. Key workers need to live in a reasonable distance to their place of employment to ensure these services run efficiently. Many keyworkers are unable, however, to secure housing on the private market and face long waiting times for social rented homes.
26. To support this, guidance has been included in the SPD on Key Worker Housing (KWH).

27. This is intermediate affordable housing (rental) available to those employed in recognised key worker occupations. It is based on tenancies of 2-5 years which must remain available as KWH in perpetuity (even when tenants turnover).
28. KWH is set out in the SPD as affordable intermediate housing which the council considers to meet the genuine needs of our residents.
29. The guidance includes:
 - The council's definition of key worker occupations
 - The income thresholds for KWH and additional eligibility criteria
 - The required tenancy lengths.
30. By including this guidance, KWH is formalised as an acceptable option for intermediate housing provision. This will mean a development can provide KWH as a method of meeting its affordable housing contributions (subject to other requirements of affordable housing being met).
31. Other matters such as the process of registering as a key worker or the nomination process are not within the remit of planning and as such have not been covered in the SPD.

Policy framework implications

32. The Affordable Housing SPD provides guidance on how to apply the relevant policies of the Southwark Plan 2022. It gives guidance on how to conform to the additional national and local legislature and policies within which the council must operate.
33. The SPD will be a material consideration in the determination of a planning application.
34. The SPD principally provides further information on the following Southwark Plan policies:
 - SP1 Homes for all
 - P1 Social rented and intermediate housing
 - P2 New family homes
 - P4 Private rented homes
 - P5 Student homes
 - P6 Purpose-built shared living
 - P7 Housing for older people
 - P8 Wheelchair accessible and adaptable housing
 - P9 Houses in multiple occupation

- P15 Residential design.

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

35. Section 149 of the Equality Act 2010 sets out the Public Sector Equality Duty (PSED). This 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.
36. 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.
37. The council's [Approach to Equality](#) commits the council to ensuring that equality is an integral part of our day-to-day business. The [Equality Framework for Local Government](#) exists to help organisations, review and improve their performance for people with characteristics protected by the Equality Act 2010.
38. The Equalities Impacts and Needs Analysis (EINA) concluded that the Affordable Housing SPD would have no negative impacts on equalities in Southwark. The SPD does not create new policies but provides guidance on how existing policies should be implemented.
39. The EINA found that the SPD would have a broad range of positive impacts that will benefit all borough residents. The SPD would support the delivery of a range of types of affordable housing, including social rent and intermediate housing. All protected characteristic groups in Southwark will be able to benefit from the affordable housing that the SPD will help deliver.
40. There are no mitigating or improvement actions to be taken as a result of the EINA.
41. The full analysis can be found in Appendix 3: Equalities Impact and Needs Analysis.

Climate change implications

42. The Council has declared a Climate Emergency with the ambition to reach carbon neutrality by 2030.
43. Plan-making will contribute to this ambition through the preparation and implementation of planning policies, specifically in the development management process. Planning applications will be required to meet the policy requirements set out in the Southwark Plan 2022 and any supplementary planning documents.
44. This is supported by Southwark's Climate Change Strategy and Climate Change Resilience and Adaptation Strategy which sets out Action Points to meet this target.
45. The Affordable Housing SPD conforms with the Southwark Plan 2022 and does not create any new policies, therefore there are no new climate change implications.

Resource implications

46. There are no additional resource implications arising from the Affordable Housing SPD.
47. Staffing and any other resources connected to the SPD are to be contained within existing departmental capacity.

Legal implications

48. This report is being brought before the Cabinet under Part 3C of the Constitution. Paragraph 21 of the constitution states that the Cabinet has the power to adopt supplementary planning documents.
49. The Cabinet therefore has the power to agree the draft of the Affordable Housing SPD, which would include sending it out for consultation.
50. The Town and Country Planning (Local Planning) England Regulations 2012 states at regulation 12 that a local planning authority must undertake a process of public participation before it can adopt an SPD. Part of that process involves consulting with relevant persons, setting out the main issues raised by those persons and then explaining how those issues have been addressed in the SPD. This report is the first step towards beginning the public participation process and will help to inform the final draft of the SPD.
51. SPDs are not subject to independent examination in the same way that other planning documents are. However, as stated above there is still a process of consultation that must be undertaken in respect of such documents. Section 19(3) of the Planning and Compulsory Purchase Act 2004 specifically requires local planning authorities to comply with their adopted Statement of Community Involvement ("SCI").

Financial implications

52. There are no immediate financial implications arising from the Affordable Housing SPD.
53. Staffing and any other costs connected to the SPD are to be contained within existing departmental revenue budgets.

Consultation

54. Public consultation would commence if the recommendation proposed in this report is agreed.
55. In accordance with Soutwark's statement of community involvement (SCI), the draft SPD will be available for comment for a minimum of twelve weeks. Additional time will also be added to the consultation to account for the summer period.
56. The consultation will run from 7 August 2024 until 27 November 2024.

57. The consultation will be run on the consultation platform, Citizen Lab. Comments will also be accepted by email or post.
58. The full details of the public consultation are set out in Appendix 2: Consultation plan.

Strategic Environmental Assessment (SEA)

59. A Strategic Environmental Assessment (SEA) is a way of ensuring the environmental implications of a plan or programme for 'town or country planning or 'land use' are taken into account. The need for environmental assessments is set out in the EU Directive 2001/42/EC. This has subsequently been transposed into English law by the Environmental Assessment of Plans and Programmes Regulations 2004.
60. A screening assessment has been undertaken to determine whether the Affordable Housing SPD requires a SEA. This is in accordance with Government's Planning Practice Guidance (PPG) published in September 2023.
61. The screening assessment concluded that the Affordable Housing SPD is not likely to have significant environmental effects and as such, does not require a SEA.
62. The Affordable Housing SPD conforms with the adopted Southwark Plan 2022 and corresponding Site-Specific Allocations. The SPD provides guidance on these policies but does not create new policies. The policies and allocations therein have been subject to an SEA through the Southwark Plan 2022 Integrated Impact Assessment.
63. The full assessment can be found in Appendix 4: Strategic Environmental Assessment Screening (SEA).

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Assistant Chief Executive, Governance and Assurance – NST050724

53. Under paragraph 7 of Part 3D Individual Cabinet Members have the power to agree significant policy issues in relation to their area of responsibility. The Cabinet Member for New Homes and Sustainable Development therefore has the power to agree the draft Affordable Housing SPD which would include approving a draft for consultation. However, given the significance of the Affordable Housing SPD, the draft is brought to Cabinet for approval.
54. Final approval of the SPD resides with full Cabinet under Part 3C of the Constitution paragraph 21 which states that only full Cabinet has the power to adopt supplementary planning documents taking account of comments from the planning committee.
55. Supplementary planning documents (SPDs) should build upon and provide more detailed advice or guidance on policies in the adopted Southwark Plan 2022. As they do not form part of the development plan, they cannot introduce

new planning policies into the development plan. They are however a material consideration in decision-making.

56. The National Planning Policy Framework states that SPDs add further detail to the policies in the development plan. They can be used to provide further guidance for development on specific sites or on particular issues and are capable of being a material consideration in planning decisions but are not part of the development plan.
57. Regulations 11 to 16 of the Town and Country Planning (Local Planning) (England) Regulations 2012 set out the requirements for producing Supplementary Planning Documents. The Affordable Housing SPD will not form part of the statutory development plan but will be an important material consideration in determining planning applications.
58. The Environmental Assessment of Plans and Programmes Regulations 2004 (SEA Regulations) also require the Council to consider whether or not Strategic Environmental Assessment (SEA) of the SPD should be undertaken. A strategic environmental assessment is unlikely to be required where a supplementary planning document deals only with a small area at a local level (see regulation 5(6) of the Environmental Assessment of Plans and Programmes Regulations 2004), unless it is considered that there are likely to be significant environmental effects.
59. Before deciding whether significant environment effects are likely, the criteria specified in schedule 1 to the Environmental Assessment of Plans and Programmes Regulations 2004 need to be taken into account. Officers have considered this at paragraphs 57-61 and prepared a screening report (Appendix 4). They consider that it is unlikely that there are significant environmental effects.
60. Council Assembly on 14 July 2021 approved a change to the council's Constitution to confirm that all decisions made by the council will consider the climate and equality (including socio-economic disadvantage and health inequality) consequences of taking that decision. This has been considered at paragraphs 41-44 above.
61. The Public Sector Equality Duty ("PSED") is set out at section 149 of Equality Act 2010 and requires the council to have due regard in the exercise of its functions (including decision making), to the need to:
 62.
 - a. Eliminate discrimination, harassment, victimisation or other prohibited conduct;
 - b. Advance of equality of opportunity between persons who share a relevant protected characteristics and those who do not share it;
 - c. Foster good relations between those who share a relevant characteristic and those that do not share it.
63. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.
64. Officers have considered the council's PSED under section 149 of the 2010 Act

at paragraphs 34-40 of this report and the Equalities and Impact Needs Analysis (EINA) at Appendix 3. Officers have concluded that, at this stage, the draft Affordable Housing SPD is not considered to have any adverse impacts on persons with protected characteristics.

65. The report recommends that the draft Affordable Housing SPD is published for public consultation. Comments relating to equalities considerations will be considered following the consultation and Affordable Housing SPD updated as appropriate.
66. Section 19(3) of the Planning and Compulsory Purchase Act 2004 requires local planning authorities to comply with their adopted Statement of Community Involvement (SCI). The Council's SCI provides for a period of 6 weeks informal consultation followed by 6 weeks formal consultation.

Strategic Director, Finance (FC24/008)

64. The report requests approval from Cabinet to agree Affordable Housing Supplementary Planning Document (SPD) for public consultation and to note the consultation plan and supporting documentation.
65. The strategic director of finance notes that there will be no immediate financial implications associated with the implementation of this SPD and notes other comments in the financial implications.
66. Staffing and any other costs associated with this recommendation are to be contained within existing departmental revenue budgets.

REASONS FOR URGENCY

67. Not applicable.

REASONS FOR LATENESS

68. Not applicable.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
The Southwark Plan 2022	Planning Policy 160 Tooley Street London SE1P 5LX Online here	Planning Policy team planningpolicy@southwark.gov.uk
Strategic Housing Market Assessment 2019	Planning Policy 160 Tooley Street London SE1P 5LX	Planning Policy team planningpolicy@southwark.gov.uk

Background Papers	Held At	Contact
	Online here	
Affordable Housing Supplementary Planning Document 2008 and draft Affordable Housing Supplementary Planning Document 2011	Planning Policy 160 Tooley Street London SE1P 5LX Online here	Planning Policy team planningpolicy@soouthwark.gov.uk
Development Viability Supplementary Planning Document 2016	Planning Policy 160 Tooley Street London SE1P 5LX Online here	Planning Policy team planningpolicy@soouthwark.gov.uk
Draft Section 106 and Community Infrastructure Levy Supplementary Planning Document.	Planning Policy 160 Tooley Street London SE1P 5LX Online here	Planning Policy team planningpolicy@soouthwark.gov.uk

APPENDICES

No.	Title
Appendix 1	Affordable Housing Supplementary Planning Document
Appendix 2	Consultation Plan
Appendix 3	Equalities Impacts and Needs Analysis (EINA)
Appendix 4	Strategic Environmental Assessment Screening (SEA)

AUDIT TRAIL

Cabinet Member	Councillor Helen Dennis, New Homes and Sustainable Development	
Lead Officer	Gemma Williams, Team Leader	
Report Author	Imogen Copps, Graduate Planner / Alicia Chaumard, Senior Planner	
Version	Final	
Dated	9 July 2024	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Assistant Chief Executive, Governance and Assurance	Yes	Yes
Strategic Director, Finance	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team	9 July 2024	

Meeting Name:	Cabinet
Date:	22 July 2024
Report title:	Householder Development Supplementary Planning Document
Cabinet Member:	Councillor Helen Dennis, New Homes and Sustainable Development
Ward(s) or groups affected:	All
Classification:	Open
Reason for lateness (if applicable):	N/a

FOREWORD - COUNCILLOR HELEN DENNIS, CABINET MEMBER FOR NEW HOMES AND SUSTAINABLE DEVELOPMENT

Over recent years, we have focused in on how to make the planning system more accessible for our residents. The creation of the planning register has made it much easier to search for applications and find associated documents, whilst our digital tools now mean it is much easier to find the policies that apply in each particular circumstance.

With this Householder SPD, we have brought together all of the policies and guidance that might apply to those seeking amendment or extension of their home, into a format which we hope makes things easier to search and understand. This includes information about our climate & environment policies insofar as they apply to existing dwellings and it is our hope through this guidance to encourage homes of the highest design and environmental standards across Southwark.

RECOMMENDATIONS

Recommendation(s) for the Cabinet

1. To agree the Householder Development Supplementary Planning Document (SPD) for public consultation.
2. To note the consultation plan and supporting documentation.

Recommendation(s) for the Leader of the Council

3. Not applicable.

REASONS FOR RECOMMENDATIONS

4. Regulation 12 (1) of the Town and Country Planning (Local Planning) (England) Regulations 2012 requires a Local Authority to publicly consult on an SPD before it can be adopted.

ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

5. No alternative option has been considered as the proposed recommendation is a statutory requirement.

POST DECISION IMPLEMENTATION

6. Public consultation on the Householder Development SPD.
7. In accordance with Southwark's statement of community involvement (SCI), the draft SPD will be available for comment for a minimum of twelve weeks. Additional time will also be added to the consultation to account for the summer period. Full details of the public consultation can be found in Appendix 2: Consultation plan.
8. The consultation will run from 7 August 2024 until 27 November 2024.
9. Once the public consultation is complete, the SPD will then be prepared for adoption. Officers will review the public consultation responses and make any amendments to the SPD where necessary.
10. The recommendation to adopt the SPD will be brought before Cabinet in May 2025.

Key Activity	Target completion date
Public consultation of the Affordable Housing SPD begins	7 August 2024
Public consultation of the Affordable Housing SPD concludes	27 November 2024
Amendments to Householder Development SPD (where necessary) following public consultation responses	December 2024 / January 2025
Adoption of Householder Development SPD by Cabinet	May 2025

BACKGROUND INFORMATION

11. The Householder Development SPD will mostly replace the 2015 Technical Update to the Residential Design Standards (2011) relating to householders.

12. Summary of key changes from the 2015 Technical Update to the Residential Design Standards (2011):
 - This SPD reflects updates to the General Permitted Development Order (GPDO) since 2010
 - This SPD includes guidance on development types which were not covered by the 2015 Technical Update such as roof terraces
 - This SPD provides guidance on current Council priority areas such as green energy enhancements.
 - This SPD does not include guidance which is now covered by the Southwark Plan 2022.
13. Guidance which has not been included as part of the SPD or Southwark Plan will be retained in a saved version of the 2015 Technical Update to the Residential Design Standards (2011). This is very limited, as most guidance has been included elsewhere. This will allow officers to continue to reference the saved guidance in the determination of planning applications. This is an interim measure and will be resolved by future planning policy work.
14. Beyond this, it is likely that separate guidance will be necessary on the wider range of housing developments included in the Southwark Plan 2022 including design standards for Student Housing, Hotels and Apart-hotels, Co-living etc. A programme for this separate guidance will be circulated separately.

KEY ISSUES FOR CONSIDERATION

15. A large proportion of development in Southwark affects existing homes with residents seeking to make changes that suit their changing circumstances.
16. The Householder Development SPD seeks to clarify this approach, helping to prioritise adaptations and provide guidance on suitable and beneficial changes that residents can consider.
17. The guidance in the SPD is relevant to all residents and those who own or manage a home in the borough. This includes guidance for houses and flats as well as homes which are listed buildings or within conservation areas. The SPD is not relevant to the creation of new dwellings.
18. It is designed for a wide readership, including applicants, owners, residents, planners, community groups and developers.
19. The SPD has the following objectives:
 - To guide the improvement and adaptation of existing homes

- To ensure a high standard of housing for all, ensuring homes are enjoyable, liveable and accessible.
 - To encourage the refurbishment of homes looking to reduce energy demand, carbon emissions and adapt to the effects of climate change.
 - To ensure works to existing homes mitigate impact on the amenity, privacy and appearance of the surrounding area and neighbours.
 - To encourage sustainable technologies, healthy communities and to preserve Southwark's rich heritage.
20. The SPD covers a broad range of works which can be considered when looking to improve or extend a home. This includes:
- Improving the appearance of a home
 - Improving the thermal performance or energy efficiency of a home
 - How to find the most appropriate type of extension for a home
 - Whether planning permission or listed building consent is required
 - If any specialist information is required to support a planning application.

Policy framework implications

21. The Householder Development SPD provides guidance on how to apply the relevant policies of the Southwark Plan 2022. It gives guidance on how to conform to the additional national and local legislature and policies within which the council must operate.
22. The SPD will be a material consideration in the determination of a planning application.
23. The SPD principally provides further information on the following Southwark Plan policies:
- P13 Design of places
 - P14 Design quality
 - P15 Residential
 - P16 Designing out crime
 - P18 Efficient use of land
 - P19 Listed buildings and structures
 - P20 Conservation areas

- P21 Conservation of the historic environment and natural heritage
- P26 Local list
- P56 Protection of amenity
- P59 Green infrastructure
- P60 Biodiversity
- P61 Trees
- P62 Reducing waste
- P66 Reducing noise pollution and enhancing soundscapes
- P68 Reducing food risk.

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

24. Section 149 of the Equality Act 2010 sets out the Public Sector Equality Duty (PSED). This 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.
25. 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.
26. The council's [Approach to Equality](#) commits the council to ensuring that equality is an integral part of our day-to-day business. The [Equality Framework for Local Government](#) exists to help organisations, review and improve their performance for people with characteristics protected by the Equality Act 2010.
27. The Equalities Impacts and Needs Analysis (EINA) concluded that the Householder Development SPD would have no negative impacts on equalities in Southwark. The SPD does not create new policies but provides guidance on how existing policies should be implemented.
28. The EINA found that the SPD would benefit some groups more than others, as the guidance provided is simpler to implement if in home ownership.
29. The SPD will however have broad benefits for all borough residents. These include protection of built heritage and townscape, protection of neighbourhood amenity and climate change mitigation.
30. The SPD can also be of particular benefit to many protected groups who are more likely to experience fuel poverty or overcrowding and those groups who need to extend or alter their home.
31. There are no mitigating or improvement actions to be taken as a result of the EINA.

32. The full analysis can be found in Appendix 3: Equalities Impact and Needs Analysis.

Climate change implications

33. The Council has declared a Climate Emergency with the ambition to reach carbon neutrality by 2030.
34. Plan-making will contribute to this ambition through the preparation and implementation of planning policies, specifically in the development management process. Planning applications will be required to meet the policy requirements set out in the Southwark Plan 2022 and any supplementary planning documents.
35. This is supported by Southwark's Climate Change Strategy and Climate Change Resilience and Adaptation Strategy which sets out Action Points to meet this target.
36. The Householder Development SPD encourages the refurbishment of homes looking to reduce energy demand, carbon emissions and adapt to the effects of climate change.

Resource implications

37. There are no additional resource implications arising from the Householder Development SPD.
38. Staffing and any other resources connected to the SPD are to be contained within existing departmental capacity.

Legal implications

39. This report is being brought before the Cabinet under Part 3C of the Constitution. Paragraph 21 of the constitution states that the Cabinet has the power to adopt supplementary planning documents.
40. The Cabinet therefore has the power to agree the draft of the Householder Development SPD, which would include sending it out for consultation.
41. The Town and Country Planning (Local Planning) England Regulations 2012 states at regulation 12 that a local planning authority must undertake a process of public participation before it can adopt an SPD. Part of that process involves consulting with relevant persons, setting out the main issues raised by those persons and then explaining how those issues have been addressed in the SPD. This report is the first step towards beginning the public participation process and will help to inform the final draft of the SPD.
42. SPDs are not subject to independent examination in the same way that other planning documents are. However, as stated above there is still a process of consultation that must be undertaken in respect of such documents. Section 19(3) of the Planning and Compulsory Purchase Act 2004 specifically requires local planning authorities to comply with their adopted Statement of Community

Involvement (“SCI”).

Financial implications

43. There are no immediate financial implications arising from the Householder Development SPD.
44. Staffing and any other costs connected to the SPD are to be contained within existing departmental revenue budgets.

Consultation

45. Public consultation would commence if the recommendation proposed in this report is agreed.
46. In accordance with Southwark’s statement of community involvement (SCI), the draft SPD will be available for comment for a minimum of twelve weeks. Additional time will also be added to the consultation to account for the summer period.
47. The consultation will run from 7 August 2024 until 27 November 2024.
48. The consultation will be run on the consultation platform, Citizen Lab. Comments will also be accepted by email or post.
49. The full details of the public consultation are set out in Appendix 2: Consultation plan.

Strategic Environmental Assessment (SEA)

50. A Strategic Environmental Assessment (SEA) is a way of ensuring the environmental implications of a plan or programme for ‘town or country planning or ‘land use’ are taken into account. The need for environmental assessments is set out in the EU Directive 2001/42/EC. This has subsequently been transposed into English law by the Environmental Assessment of Plans and Programmes Regulations 2004.
51. A screening assessment has been undertaken to determine whether the Householder Development SPD requires a SEA. This is in accordance with Government’s Planning Practice Guidance (PPG) published in September 2023.
52. The screening assessment concluded that the Householder Development SPD is not likely to have significant environmental effects and as such, does not require a SEA.
53. The Householder Development SPD conforms with the adopted Southwark Plan 2022 and corresponding Site-Specific Allocations. The SPD provides guidance on these policies but does not create new policies. The policies and allocations therein have been subject to an SEA through the Southwark Plan 2022 Integrated Impact Assessment.

54. The full assessment can be found in Appendix 4: Strategic Environmental Assessment Screening (SEA).

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Assistant Chief Executive, Governance and Assurance – NST050724

55. Under paragraph 7 of Part 3D Individual Cabinet Members have the power to agree significant policy issues in relation to their area of responsibility. The Cabinet Member for New Homes and Sustainable Development therefore has the power to agree the draft Householder Development SPD which would include approving a draft for consultation. However, given the significance of the Householder Development SPD, the draft is brought to Cabinet for approval.
56. Final approval of the SPD resides with full Cabinet under Part 3C of the Constitution paragraph 21 which states that only full Cabinet has the power to adopt supplementary planning documents taking account of comments from the planning committee.
57. Supplementary planning documents (SPDs) should build upon and provide more detailed advice or guidance on policies in the adopted Southwark Plan 2022. As they do not form part of the development plan, they cannot introduce new planning policies into the development plan. They are however a material consideration in decision-making.
58. The National Planning Policy Framework states that SPDs add further detail to the policies in the development plan. They can be used to provide further guidance for development on specific sites or on particular issues and are capable of being a material consideration in planning decisions but are not part of the development plan.
59. Regulations 11 to 16 of the Town and Country Planning (Local Planning) (England) Regulations 2012 set out the requirements for producing Supplementary Planning Documents. The Householder Development SPD will not form part of the statutory development plan but will be an important material consideration in determining planning applications.
60. The Environmental Assessment of Plans and Programmes Regulations 2004 (SEA Regulations) also require the Council to consider whether or not Strategic Environmental Assessment (SEA) of the SPD should be undertaken. A strategic environmental assessment is unlikely to be required where a supplementary planning document deals only with a small area at a local level (see regulation 5(6) of the Environmental Assessment of Plans and Programmes Regulations 2004), unless it is considered that there are likely to be significant environmental effects.
61. Before deciding whether significant environment effects are likely, the criteria specified in schedule 1 to the Environmental Assessment of Plans and Programmes Regulations 2004 need to be taken into account. Officers have

considered this at paragraphs 48-52 and prepared a screening report (Appendix 4). They consider that it is unlikely that there are significant environmental effects.

62. Council Assembly on 14 July 2021 approved a change to the council's Constitution to confirm that all decisions made by the council will consider the climate and equality (including socio-economic disadvantage and health inequality) consequences of taking that decision. This has been considered at paragraphs 23-31 above.
63. The Public Sector Equality Duty ("PSED") is set out at section 149 of Equality Act 2010 and requires the council to have due regard in the exercise of its functions (including decision making), to the need to:
 64.
 - Eliminate discrimination, harassment, victimisation or other prohibited conduct;
 - Advance of equality of opportunity between persons who share a relevant protected characteristics and those who do not share it;
 - Foster good relations between those who share a relevant characteristic and those that do not share it.
65. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.
66. Officers have considered the council's PSED under section 149 of the 2010 Act at paragraphs 23-31 of this report and the Equalities and Impact Needs Analysis (EINA) at Appendix 3. Officers have concluded that, at this stage, the draft Householder Development SPD is not considered to have any adverse impacts on persons with protected characteristics.
67. The report recommends that the draft Householder Development SPD is published for public consultation. Comments relating to equalities considerations will be considered following the consultation and Householder Development SPD updated as appropriate.
68. Section 19(3) of the Planning and Compulsory Purchase Act 2004 requires local planning authorities to comply with their adopted Statement of Community Involvement (SCI). The Council's SCI provides for a period of 6 weeks informal consultation followed by 6 weeks formal consultation.

Strategic Director, Finance (FC24/002)

69. The report requests approval from Cabinet to agree the Householder Development Supplementary Planning Document (SPD) for public consultation and to note the consultation plan and supporting documentation.
70. The strategic director of finance notes that there will be no immediate financial implications associated with the implementation of this SPD and notes other comments in the financial implications.

71. Staffing and any other costs associated with this recommendation are to be contained within existing departmental revenue budgets.

REASONS FOR URGENCY

72. Not applicable.

REASONS FOR LATENESS

73. Not applicable.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
The Southwark Plan 2022	Planning Policy 160 Tooley Street London SE1P 5LX Online here	Planning Policy team planningpolicy@southwark.gov.uk
2015 Technical Update to the Residential Design Standards (2011)	Planning Policy 160 Tooley Street London SE1P 5LX Online here	Planning Policy team planningpolicy@southwark.gov.uk

APPENDICES

No.	Title
Appendix 1	Householder Development Supplementary Planning Document
Appendix 2	Consultation Plan
Appendix 3	Equalities Impacts and Needs Analysis (EINA)
Appendix 4	Strategic Environmental Assessment Screening (SEA)

AUDIT TRAIL

Cabinet Member	Councillor Helen Dennis, New Homes and Sustainable Development	
Lead Officer	Gemma Williams, Team leader	
Report Author	Marco Chan, Graduate planner	
Version	Final	
Dated	9 July 2024	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Assistant Chief Executive, Governance and Assurance	Yes	Yes
Strategic Director, Finance	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team		9 July 2024

Meeting Name:	Cabinet
Date:	22 July 2024
Report title:	Climate and Environment Supplementary Planning Document
Cabinet Member:	Councillor Helen Dennis, New Homes and Sustainable Development
Ward(s) or groups affected:	All
Classification:	Open
Reason for lateness (if applicable):	N/a

FOREWORD - COUNCILLOR HELEN DENNIS, CABINET MEMBER FOR NEW HOMES AND SUSTAINABLE DEVELOPMENT

Having declared a Climate Emergency in Southwark, we have focused across departments on delivering our Climate Action Plan, ensuring that we are using every tool to reduce carbon emissions and ensure that we are a borough delivering on net zero and climate resilience.

Our Southwark Plan, which was agreed in 2022, includes very stretching targets on the Climate & Environment, including through our Energy Policy P60 which requires a significant reduction of operational carbon emissions through development, exceeding the requirements of the London Plan, and proposals to date around the Future Homes Standard.

This SPD provides additional guidance and best practice around implementation of our environmental sustainability policies and precedes a wider policy review of our Plan to ensure that we are line with the highest level of ambition around carbon reduction, both in operational use and through the construction process itself.

RECOMMENDATIONS

Recommendations for the Cabinet

1. To agree the Climate and Environment Supplementary Planning Document (SPD) for public consultation.
2. To note the consultation plan and supporting documentation.

Recommendation(s) for the Leader of the Council

3. Not applicable

REASONS FOR RECOMMENDATIONS

- Regulation 12 (1) of the Town and Country Planning (Local Planning) (England) Regulations 2012 requires a Local Authority to publicly consult on an SPD before it can be adopted.

ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- No alternative option has been considered as the proposed recommendation is a statutory requirement.

POST DECISION IMPLEMENTATION

- Public consultation on the Climate and Environment SPD.
- In accordance with Southwark's statement of community involvement (SCI), the draft SPD will be available for comment for a minimum of twelve weeks. Additional time will also be added to the consultation to account for the summer period. Full details of the public consultation can be found in Appendix 2: Consultation plan.
- The consultation will run from 7 August 2024 until 27 November 2024.
- Once the public consultation is complete, the SPD will then be prepared for adoption. Officers will review the public consultation responses and make any amendments to the SPD where necessary.
- The recommendation to adopt the SPD will be brought before Cabinet in May 2025.

Key Activity	Target completion date
Public consultation of the Affordable Housing SPD begins	7 August 2024
Public consultation of the Affordable Housing SPD concludes	27 th November 2024
Amendments to Climate and Environment SPD (where necessary) following public consultation responses	December 2024
Adoption of Climate and Environment SPD by Cabinet	May 2025

BACKGROUND INFORMATION

- The Climate and Environment SPD will in part replace the previously rescinded SPDs: Sustainability Assessments SPD (2009), Sustainable Design and Construction SPD (2009) and the Sustainable Transport SPD (2010).

12. The SPD will also incorporate content from various technical guidance notes (e.g. Noise technical guidance 2019). This will formalise the guidance and make it a material consideration.
13. Publishing the SPD is an important step ahead of the Early Review of the Southwark Plan. The Council is committed to furthering the ambition of existing climate and environment policies through the Early Review. This will ensure development in Southwark minimises carbon emissions and helps to meet the Council's net zero carbon target for 2030.

KEY ISSUES FOR CONSIDERATION

General

14. Southwark declared a climate emergency in 2019. To help deliver this, the Southwark Plan 2022 sets ambitious climate and environmental policies which aim to reach net zero carbon by 2050.
15. The Climate and Environment SPD will encourage applicants to be more ambitious in their planning applications to address climate change by including best practice actions to help deliver net zero development in Southwark.
16. The guidance in this SPD is relevant to all development that requires a planning application above 1 unit (including refurbishment to existing buildings, extensions to existing buildings and landscaping work)
17. It is designed for a wide readership, including applicants, owners, residents, planners, community groups and developers.
18. This SPD has the following objectives:
 - To help people better understand climate mitigation and adaptation actions
 - To provides advice on how to make successful planning applications that are in line with the council's climate and environment policies.
 - To set out best practice for sustainable development in Southwark.
19. This SPD covers a broad range of technical guidance, grouped into thematic chapters.

Energy and sustainability standards

20. This chapter provides further guidance on the energy and sustainability standards expected from new development. This includes targets such as BREEAM certification which measures environmental performance in buildings.
21. Guidance is also provided on implementing the cooling hierarchy and the energy hierarchy (as required by P69 Sustainability standards of the Southwark Plan 2022) and for achieving carbon reductions in development. This includes guidance on monitoring carbon emissions, Whole Life-Cycle Carbon (WLC) assessments, Circular Economy (CE) statements and retrofitting.

Minimising flood risk

22. This chapter provides further guidance on the methods used to measure and mitigate flood risk for new development. This includes the sequential and exception test, site-specific flood risk assessments, and Basement Impact Assessments.
23. Guidance is also provided on Sustainable Drainage Systems (SuDS).

Air quality and environmental protection

24. This chapter provides further guidance on air quality considerations and requirements for new development. This includes guidance on Air Quality Management Areas (AQMA), air quality neutral, air quality positive and air quality assessments.
25. Guidance is also provided on other environmental considerations such as light pollution, odour, noise pollution, land contamination and demolition and construction management.

Green infrastructure, biodiversity and trees

26. This chapter provides guidance on the urban greening, biodiversity and ecology requirements for new development. This includes guidance on Sites of Importance for Nature Conservation (SINCs), Urban Greening Factor (UGF) and new requirements for Biodiversity Net Gain (BNG).
27. Guidance is also provided on tree valuation, tree planting and diverse planting for wildlife habitats.

Movement and Transport

28. This chapter provides guidance on achieving more sustainable transport outcomes in new development. This includes guidance on designing streets, encouraging cycling, providing cycle parking, linking developments to public transport, reducing reliance on private cars.
29. Guidance is also provided on Electric Vehicle Charging Points (EVCPs).

Waste management and recycling

30. This chapter provides guidance on waste management and recycling considerations for new developments. This includes guidance on communal refuse facilities for residential and commercial development and clinical or hazardous waste.

Policy framework implications

31. The Climate and Environment SPD provides guidance on how to apply the relevant policies of the Southwark Plan 2022. It gives guidance on how to

conform to the additional national and local legislature and policies within which the council must operate.

32. The SPD will be a material consideration in the determination of a planning application.
33. The SPD principally provides further information on the following Southwark Plan policies:
 - P49 Public transport
 - P50 Highways impacts
 - P52 Low line routes
 - P53 Cycling
 - P54 Car parking
 - P55 Parking standards for disabled people and the physically impaired
 - P59 Green infrastructure
 - P60 Biodiversity
 - P61 Trees
 - P62 Reducing waste
 - P65 Improving air quality
 - P66 Noise pollution and soundscapes
 - P64 Contaminated land and hazardous substances
 - P65 Protection of amenity
 - P68 Reducing flood risk
 - P69 Sustainability standards
 - P70 Energy.

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

34. Section 149 of the Equality Act 2010 sets out the Public Sector Equality Duty (PSED). This 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.
35. 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.
36. The council's [Approach to Equality](#) commits the council to ensuring that equality is an integral part of our day-to-day business. The [Equality Framework](#)

[for Local Government](#) exists to help organisations, review and improve their performance for people with characteristics protected by the Equality Act 2010.

37. The Equalities Impacts and Needs Analysis (EINA) concluded that the Climate and Environment SPD would have no negative impacts on equalities in Southwark. The SPD does not create new policies but provides guidance on how existing policies should be implemented.
38. The EINA found that the SPD would have a broad range of positive impacts that will benefit all borough residents. These include climate change mitigation, minimising flood risk, environmental protection, improvement of air quality, protection of green infrastructure and biodiversity and effective waste management.
39. There are no mitigating or improvement actions to be taken as a result of the EINA.
40. The full analysis can be found in Appendix 3: Equalities Impact and Needs Analysis.

Climate change implications

41. The Council has declared a Climate Emergency with the ambition to reach carbon neutrality by 2030.
42. Plan-making will contribute to this ambition through the preparation and implementation of planning policies, specifically in the development management process. Planning applications will be required to meet the policy requirements set out in the Southwark Plan 2022 and any supplementary planning documents.
43. This is supported by Southwark's Climate Change Strategy and Climate Change Resilience and Adaptation Strategy which sets out Action Points to meet this target.
44. The Climate and Environment SPD encourages climate change mitigation, sustainability standards and environmental protection.

Resource implications

45. There are no additional resource implications arising from the Climate and Environment SPD.
46. Staffing and any other resources connected to the SPD are to be contained within existing departmental capacity.

Legal implications

47. This report is being brought before the Cabinet under Part 3C of the Constitution. Paragraph 21 of the constitution states that the Cabinet has the power to adopt supplementary planning documents.

48. The Cabinet therefore has the power to agree the draft of the Climate and Environment SPD, which would include sending it out for consultation.
49. The Town and Country Planning (Local Planning) England Regulations 2012 states at regulation 12 that a local planning authority must undertake a process of public participation before it can adopt an SPD. Part of that process involves consulting with relevant persons, setting out the main issues raised by those persons and then explaining how those issues have been addressed in the SPD. This report is the first step towards beginning the public participation process and will help to inform the final draft of the SPD.
50. SPDs are not subject to independent examination in the same way that other planning documents are. However, as stated above there is still a process of consultation that must be undertaken in respect of such documents. Section 19(3) of the Planning and Compulsory Purchase Act 2004 specifically requires local planning authorities to comply with their adopted Statement of Community Involvement (“SCI”).

Financial implications

51. There are no immediate financial implications arising from the Climate and Environment SPD.
52. Staffing and any other costs connected to the SPD are to be contained within existing departmental revenue budgets

Consultation

53. Public consultation would commence if the recommendation proposed in this report is agreed.
54. In accordance with Southwark’s statement of community involvement (SCI), the draft SPD will be available for comment for a minimum of twelve weeks. Additional time will also be added to the consultation to account for the summer period.
55. The consultation will run from 7th August 2024 until 27th November 2024.
56. The consultation will be run on the consultation platform, Citizen Lab. Comments will also be accepted by email or post.
57. The full details of the public consultation are set out in Appendix 2: Consultation plan.

Strategic Environmental Assessment (SEA)

48. A Strategic Environmental Assessment (SEA) is a way of ensuring the environmental implications of a plan or programme for ‘town or country planning or ‘land use’ are taken into account. The need for environmental assessments is set out in the EU Directive 2001/42/EC. This has subsequently been transposed into English law by the Environmental Assessment of Plans and

Programmes Regulations 2004.

49. A screening assessment has been undertaken to determine whether the Climate and Environment SPD requires an SEA. This is in accordance with Government's Planning Practice Guidance (PPG) published in September 2023.
50. The screening assessment concluded that the Climate and Environment SPD is not likely to have significant environmental effects and as such, does not require an SEA.
51. The Climate and Environment SPD conforms with the adopted Southwark Plan 2022 and corresponding Site-Specific Allocations. The SPD provides guidance on these policies but does not create new policies. The policies and allocations therein have been subject to an SEA through the Southwark Plan 2022 Integrated Impact Assessment.
52. The full assessment can be found in Appendix 4: Strategic Environmental Assessment Screening (SEA).

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Assistant Chief Executive, Governance and Assurance – NST050724

53. Under paragraph 7 of Part 3D Individual Cabinet Members have the power to agree significant policy issues in relation to their area of responsibility. The Cabinet Member for New Homes and Sustainable Development therefore has the power to agree the draft Climate and Environment SPD which would include approving a draft for consultation. However, given the significance of the Climate and Environment SPD, the draft is brought to Cabinet for approval.
54. Final approval of the SPD resides with full Cabinet under Part 3C of the Constitution paragraph 21 which states that only full Cabinet has the power to adopt supplementary planning documents taking account of comments from the planning committee.
55. Supplementary planning documents (SPDs) should build upon and provide more detailed advice or guidance on policies in the adopted Southwark Plan 2022. As they do not form part of the development plan, they cannot introduce new planning policies into the development plan. They are however a material consideration in decision-making.
56. The National Planning Policy Framework states that SPDs add further detail to the policies in the development plan. They can be used to provide further guidance for development on specific sites or on particular issues and are capable of being a material consideration in planning decisions but are not part of the development plan.
57. Regulations 11 to 16 of the Town and Country Planning (Local Planning) (England) Regulations 2012 set out the requirements for producing Supplementary Planning Documents. The Climate and Environment SPD will

not form part of the statutory development plan but will be an important material consideration in determining planning applications.

58. The Environmental Assessment of Plans and Programmes Regulations 2004 (SEA Regulations) also require the Council to consider whether or not Strategic Environmental Assessment (SEA) of the SPD should be undertaken. A strategic environmental assessment is unlikely to be required where a supplementary planning document deals only with a small area at a local level (see regulation 5(6) of the Environmental Assessment of Plans and Programmes Regulations 2004), unless it is considered that there are likely to be significant environmental effects.
59. Before deciding whether significant environment effects are likely, the criteria specified in schedule 1 to the Environmental Assessment of Plans and Programmes Regulations 2004 need to be taken into account. Officers have considered this at paragraphs 48-52 and prepared a screening report (Appendix 4). They consider that it is unlikely that there are significant environmental effects.
60. Council Assembly on 14 July 2021 approved a change to the council's Constitution to confirm that all decisions made by the council will consider the climate and equality (including socio-economic disadvantage and health inequality) consequences of taking that decision. This has been considered at paragraphs 33-39 above.
61. The Public Sector Equality Duty ("PSED") is set out at section 149 of Equality Act 2010 and requires the council to have due regard in the exercise of its functions (including decision making), to the need to:
 62.
 - a. Eliminate discrimination, harassment, victimisation or other prohibited conduct;
 - b. Advance of equality of opportunity between persons who share a relevant protected characteristics and those who do not share it;
 - c. Foster good relations between those who share a relevant characteristic and those that do not share it.
63. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.
64. Officers have considered the council's PSED under section 149 of the 2010 Act at paragraphs 33-39 of this report and the Equalities and Impact Needs Analysis (EINA) at Appendix 3. Officers have concluded that, at this stage, the draft Climate and Environment SPD is not considered to have any adverse impacts on persons with protected characteristics.
65. The report recommends that the draft Climate and Environment SPD is published for public consultation. Comments relating to equalities considerations will be considered following the consultation and Climate and Environment SPD updated as appropriate.

66. Section 19(3) of the Planning and Compulsory Purchase Act 2004 requires local planning authorities to comply with their adopted Statement of Community Involvement (SCI). The Council's SCI provides for a period of 6 weeks informal consultation followed by 6 weeks formal consultation.

Strategic Director, Finance (FC24/003)

58. The report requests approval from Cabinet to agree the Climate and Environment Supplementary Planning Document (SPD) for public consultation and to note the consultation plan and supporting documentation.
59. The strategic director of finance notes that there will be no immediate financial implications associated with the implementation of this SPD and notes other comments in the financial implications.
60. Staffing and any other costs associated with this recommendation are to be contained within existing departmental revenue budgets.

REASONS FOR URGENCY

61. Not applicable.

REASONS FOR LATENESS

62. Not applicable.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
The Southwark Plan 2022	Planning Policy 160 Tooley Street London SE1P 5LX Online here	Planning Policy team planningpolicy@southwark.gov.uk

APPENDICES

No.	Title
Appendix 1	Climate and Environment Supplementary Planning Document
Appendix 2	Consultation Plan
Appendix 3	Equalities Impacts and Needs Analysis (EINA)
Appendix 4	Strategic Environmental Assessment Screening (SEA)

AUDIT TRAIL

Cabinet Member	Councillor Helen Dennis, New Homes and Sustainable Development	
Lead Officer	Gemma Williams, Team leader	
Report Author	Rebecca Lambert, Graduate planner	
Version	Final	
Dated	10 July 2024	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Assistant Chief Executive, Governance and Assurance	Yes	Yes
Strategic Director, Finance	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team		9 July 2024

Meeting Name:	Cabinet
Date:	22 July 2024
Report title:	Peckham Rye Station Upgrade: Contribution to new Dovedale Court entrance
Cabinet Member:	Councillor Helen Dennis, New Homes and Sustainable Development
Ward(s) or groups affected:	Rye Lane
Classification:	Open
Reason for lateness (if applicable):	N/a

FOREWORD – COUNCILLOR HELEN DENNIS, CABINET MEMBER FOR NEW HOMES AND SUSTAINABLE DEVELOPMENT

Southwark is committed to playing its part to invest in the infrastructure our residents need, and to support future development in the borough. We want to ensure that the money generated through development and collected as Community Infrastructure Levy (CIL) is used for maximum impact to strengthen the transport and wider infrastructure that we have in Southwark. Earlier this year we agreed our new framework for allocating Strategic CIL, and in this report, we are recommending the investment of £1m to support the Peckham Rye Station redevelopment project, with this funding being used to deliver a new entrance to the rear of the station at Dovedale Court. This is in line with our SCIL framework and will help deliver the wider scheme which is awaiting funding from the Department for Transport. Peckham Rye station is the busiest interchange in the country which is not fully accessible and so the case for improvements to enhance its capacity and make it fully accessible is clear. We very much hope that DfT will make its allocation shortly so that this much needed project can move forward at a pace.

RECOMMENDATIONS

Recommendations for the Cabinet

1. Agree to contribute £1m as match funding from Strategic Community Infrastructure Levy funding to Network Rail for the construction of new public realm to the rear of Peckham Rye Station in Dovedale Court to accommodate the current overcrowding and future increase in passenger flows generated by development and growth in this part of the borough.
2. Agree to delegate authority to the Strategic Director of Finance to finalise a contractual agreement with Network Rail on this basis.

REASONS FOR RECOMMENDATIONS

3. Dovedale Court currently serves as an access area for some businesses within the arches at Peckham Rye station and as a working yard for a steel manufacturer, Tara Fabrications. The construction of an additional entrance to Peckham Rye station is part of the wider upgrade of the station and is required to meet the growing number of passengers using the station. As such, the rear of the station building will be extended to provide an additional gateline and Dovedale Court itself will be re-purposed as public realm to accommodate passenger flows and provide a sense of destination upon arrival to this side of the station. See Appendix 1 attached.
4. The £1m contribution towards the total £2.68m works required include hard landscaping, new drainage, relocation of power supplies as listed in the Appendix 2 attached.
5. The station's upgrade plays a key role in meeting the current and future needs of the people of Peckham as envisioned and articulated in the Southwark Plan. This contribution of Strategic Community Infrastructure Levy (CIL) to the Dovedale Court entrance will help both the Council and Network Rail realise our complimentary objectives.
6. The high-level delivery programme for Dovedale Court is follows:
 - Enabling works start on site – 2025/26
 - Main works start on site – 2027
 - Dovedale court public realm works start – 2027
 - Dovedale court public realm work complete – 2029
 - Practical completion – 2029
7. The council will enter into an agreement with Network Rail stipulating that the contribution is to be used towards the costs for the construction of the public realm of Dovedale Court entrance only as detailed in the attached costs breakdown spreadsheet.

POST DECISION IMPLEMENTATION

8. Confirmation of the council's £1m CIL contribution to the Dovedale Court entrance construction works is required ahead of DfT Ministerial approval, previously expected in July. However, following the announcement of the General Election this is likely to be delayed until the Autumn Statement when the DfT will have arranged its priorities.

Key Activity	Target completion date
Ministerial Approval for funding	Ahead of Autumn Statement 2024

BACKGROUND INFORMATION

9. CIL can be used to fund a wide range of infrastructure, including transport, flood defences, schools, hospitals, and other health and social care facilities as set out in section 216(2) of the Planning Act 2008, and regulation 59 Community

Infrastructure Levy Regulations 2010 (as amended) (“CIL Regulations”). This definition allows the levy to be used to fund a very broad range of facilities giving councils the opportunity to choose what infrastructure is needed to deliver their local plan.

10. The Levy focuses on the provision of new infrastructure to support and mitigate the impacts of development. To date the council has opted to use Strategic CIL to support the funding of major transport infrastructure, needed to support the targets for new homes and employment in the adopted Southwark Plan.
11. In March 2024, Cabinet agreed that 50% of unallocated Strategic CIL was to be reserved for costs relating to the Bakerloo Line Extension. A total of £6.17m has therefore been held for BLE costs, of which £0.25m has been allocated. Following the allocations agreed in March, there remained £5.823m Strategic CIL available for allocation. The allocation of £1m Strategic CIL towards the £2.68m for works to Dovedale Court/Western entrance of Peckham Rye station as part of the £49m total upgrade of the station can be accommodated from this existing Strategic CIL balance.
12. Peckham Rye station is becoming very overcrowded at peak with increased passenger numbers anticipated. It is also the largest interchange station in the UK without pedestrian accessibility and the station’s environs are in need of much improvement from a public safety perspective as well as needing to provide a positive sense of destination.
13. Network Rail has secured funding for the detailed design stage of the upgrade - to include an additional gateline, longer gatelines, lifts, a changing rooms facility, public toilets, expanded cycle storage, widened platform and extended canopy, additional stairs, improved ticket hall and new machines and upgraded public realm within the station environs.
14. Having received funding for the detailed design stage and land acquisition Network Rail is now submitting a bid for construction works totalling £49m on to DfT to secure Rail Minister and Treasury approval for inclusion in the Autumn Statement 2024 for start on site September 2026.
15. The Council is currently working on reinstating the original forecourt to the front of the station to provide new public realm, better sense of arrival with improved public safety which celebrates the Victorian restoration as well as exposing adjacent arches and refurbishing them to provide new commercial units for local businesses. The contribution to the Dovedale entrance will enhance the Council’s investment in the station area.

KEY ISSUES FOR CONSIDERATION

16. On 6 March 2024 Cabinet approved the framework for the allocation of Strategic Community Infrastructure Levy which included commitments to fund key transport infrastructure, including Peckham Rye station.
17. Although funding for the detailed design of the station and land acquisition has been confirmed, funding for the build stage of the project is not yet fully confirmed. Network Rail will be submitting their Final Business Case for the Works in late July

and evidence of funding contributions from other sources, including this one, will strengthen their case for funding.

18. The commitment of making this contribution is in-principle only at this stage. The contribution will only be fully confirmed on the condition that Network Rail's bid for funding for the works is granted. Once confirmed there will be a contractual agreement between the council and Network Rail.

Policy framework implications

19. The station's upgrade plays a key role in meeting the current and future needs of the people of Peckham as envisioned and articulated in the Local Plan, AV14 Peckham Vision, which sets out the sustainable growth strategy for Peckham. This scheme will support the following policy areas under AV14, namely:

- Improved public realm and sense of place/arrival
- Greener and Safer spaces
- Increased pride of place in tackling racism and inequality
- A thriving and inclusive economy
- Attraction of inward investment
- Enhancement of heritage
- Catalyst for other socio-economic and environmental improvements.

20. The station and station square upgrade will address the congestion and public safety concerns in and around the station, improve the local retail environment and create a sense of arrival in Peckham. This will strengthen the investment already being made by the Council to the local business environment – new station square, affordable retail units, new community spaces, black business support – to achieve outcomes required to deliver inclusive and sustainable growth in one of the UK's most deprived areas.

21. Peckham Rye station sits on the junction of radial and orbital rail and bus routes across London, providing direct access to a wide range of destinations. to this key transport interchange serve to support the vision for Peckham in the Southwark Plan (AV14), and will enhance the deliverability of:

“Site allocations...around 1,400 new homes, around 7,000sqm (net) new retail floorspace. There are also many smaller development sites that could accommodate new homes and new employment space.”

22. In supporting the funding bid for the Works, this contribution of strategic CIL to the Dovedale Court entrance will help both the Council and Network Rail realise our complimentary objectives.

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

23. By their very nature, the projects supported by Strategic CIL such as investment in transport interchanges have a major positive impact on the community in a wide geographical area.

24. The upgrade of the station will address the inaccessibility of this crucial interchange in South East London, improve public safety in the stations environs, support investment in an area of economic deprivation, support sustainable travel and reduction in carbon emissions.
25. Section 149 of The Equality Act 2010 imposes a general equality duty on public authorities (the Public Sector Equality Duty)(“PSED”) in the exercise of their functions, to have due regard to the need to:
- Eliminate discrimination, harassment and victimisation and any other conduct that is prohibited by or under the Equality Act 2010
 - Advance equality of opportunity between people who share a relevant protected characteristic and people who do not share it
 - Foster good relations between people who share a relevant protected characteristic and people who do not share it. 21.
26. For the purposes of the PSED the following are “protected characteristic” considerations:
- Age
 - Marriage and civil partnership
 - Disability
 - Gender reassignment
 - Pregnancy and maternity
 - Race
 - Religion or belief
 - Sex
 - Sexual orientation.
27. This investment of Strategic CIL will not have an adverse impact on those with protected characteristics and will actively advance opportunity for those with age, disability, pregnancy and maternity characteristics from an accessibility perspective.
28. Network Rail carried out an Equality Impact Assessment, gathering diversity data of the borough and Peckham in particular as well as passenger data from TfL, and carried out extensive public consultations gathering feedback from these sessions. Assessment of the evidence and feedback was used to inform scheme design to ensure improvements and inclusion of specific requirements to travel and passenger use by those who faced particular challenges.
29. Network Rail are also working closely with a handful of businesses which will be displaced by the upgrade to find alternative locations for them within the area to ensure they are retained as key contributors to the local economy. Arrangements and agreements are already in place for the majority of these businesses to relocate within Peckham when the works start, with only one business yet to be found suitable alternative premises.

Health impact statement

30. This investment of Strategic CIL is likely to have a positive impact on health through improvements in air quality as a result of the reduction in vehicular traffic by expansion and improvement of public transport.

Climate change implications

31. This investment of Strategic CIL will contribute towards the response to the climate emergency through the promotion of sustainable travel and associated vehicular carbon emissions.

Resource implications

32. The allocation of Strategic CIL is managed by resources in Planning and Growth.

Legal implications

33. See paragraphs 37-44

Financial implications (and when to seek supplementary advice)

34. There are no staffing and other costs connected with this report.
35. The remaining £1.68m of the funding required for this section of works for the station upgrade will come from the DfT
36. There are no associated revenue costs.

Consultation

37. Network Rail has carried out extensive consultation with local and institutional stakeholders ahead of the design stages of the station upgrade. The new upgrade design reflects the responses received during this consultation.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Assistant Chief Executive, Governance and Assurance- (NBC 12/06/2024)

38. This report seeks approval to contribute £1m as match funding from Strategic Community Infrastructure Levy funding to Network Rail for the construction of a new entrance and public realm to the rear of Peckham Rye Station in Dovedale Court to accommodate the current overcrowding and future increase in passenger flows generated by development and growth in this part of the borough.
39. 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 with specific information about how the process has included consideration of equalities implications.

40. This is a key decision as it likely to be significant in terms of the impact on communities and specifically in more than one wards.

Strategic Director of Finance (ref: CAP24/018)

41. The report requests approval of £1m allocation from Strategic CIL for the construction of the Dovedale Court/Western entrance of Peckham Rye station upgrade, details outlined at paragraphs 4 and 5.
42. The Strategic Director of Finance and Governance notes the resource implications and financial implications at paragraphs 31 and 33-36 and confirms that the council has received the related funds and they are available for the purposes outlined in this report.
43. The proposed allocation represent an increase in council’s capital expenditure and will be reflected as budget variation in the next capital budget monitoring report to cabinet.
44. After accounting for this £1m allocation, the council now has £11.7m in unallocated SCIL receipts and £12.9m has been set aside for future commitments.
45. Staffing and any other costs associated with this recommendation are to be contained within existing departmental revenue budgets.

BACKGROUND DOCUMENTS

Title	Held
Framework for Strategic Community Infrastructure Levy funding	Link (please copy and paste into browser): https://moderngov.southwark.gov.uk/documents/s119055/Report%20Strategic%20CIL.pdf
Cabinet Meeting 6 March 2024 Minutes	Link (please copy and paste into browser): https://moderngov.southwark.gov.uk/documents/g7683/Printed%20minutes%20Wednesday%2006-Mar-2024%2011.00%20Cabinet.pdf?T=1

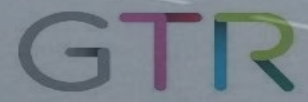
APPENDICES

No.	Title
Appendix 1	Network Rail – Southern Region presentation of Dovedale Court/Western Entrance of Peckham Rye Station upgrade
Appendix 2	Cost breakdown of Dovedale Court/Western Entrance of Peckham Rye Station upgrade

AUDIT TRAIL

Cabinet Member	Councillor Helen Dennis, New Homes and Sustainable Development	
Lead Officer	Clive Palfreyman, Strategic Director of Finance	
Report Author	Georgina Barretta, Project Manager	
Version	Final	
Dated	9 July 2024	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
	Officer Title	Comments Sought
	Assistant Chief Executive, Governance and Assurance	Yes
	Strategic Director, Finance	Yes
	Cabinet Member	Yes
	Date final report sent to Constitutional Team	9 July 2024

Peckham Rye Station Upgrade – The Case for a Southwark Contribution towards the upgrade costs



Peckham Rye Station Upgrade – The case for a Western Station Entrance

- **The existing station entrance is overcrowded with users queueing in the morning peak to enter**
- **30% of station users will use a new Western entrance, relieving the current station entrance**
- **100m walking time saving for those users**
- **New raised path provides an improved, safer, accessible walking route to new Station Entrance and businesses Dovedale Court**
- **New raised traffic table on Blenheim Grove provides level access across street to bus stops**
- **New sewer connection from Blenheim Grove resolves drainage issues in Dovedale Court**
- **Encourages further development of Dovedale Court, in line with Southwark Council plan for the area**
- **New attractive viaduct arches for let**
- **Arches will benefit from improved outside space**
- **Access maintained to Dovedale Court with provision of turning head.**

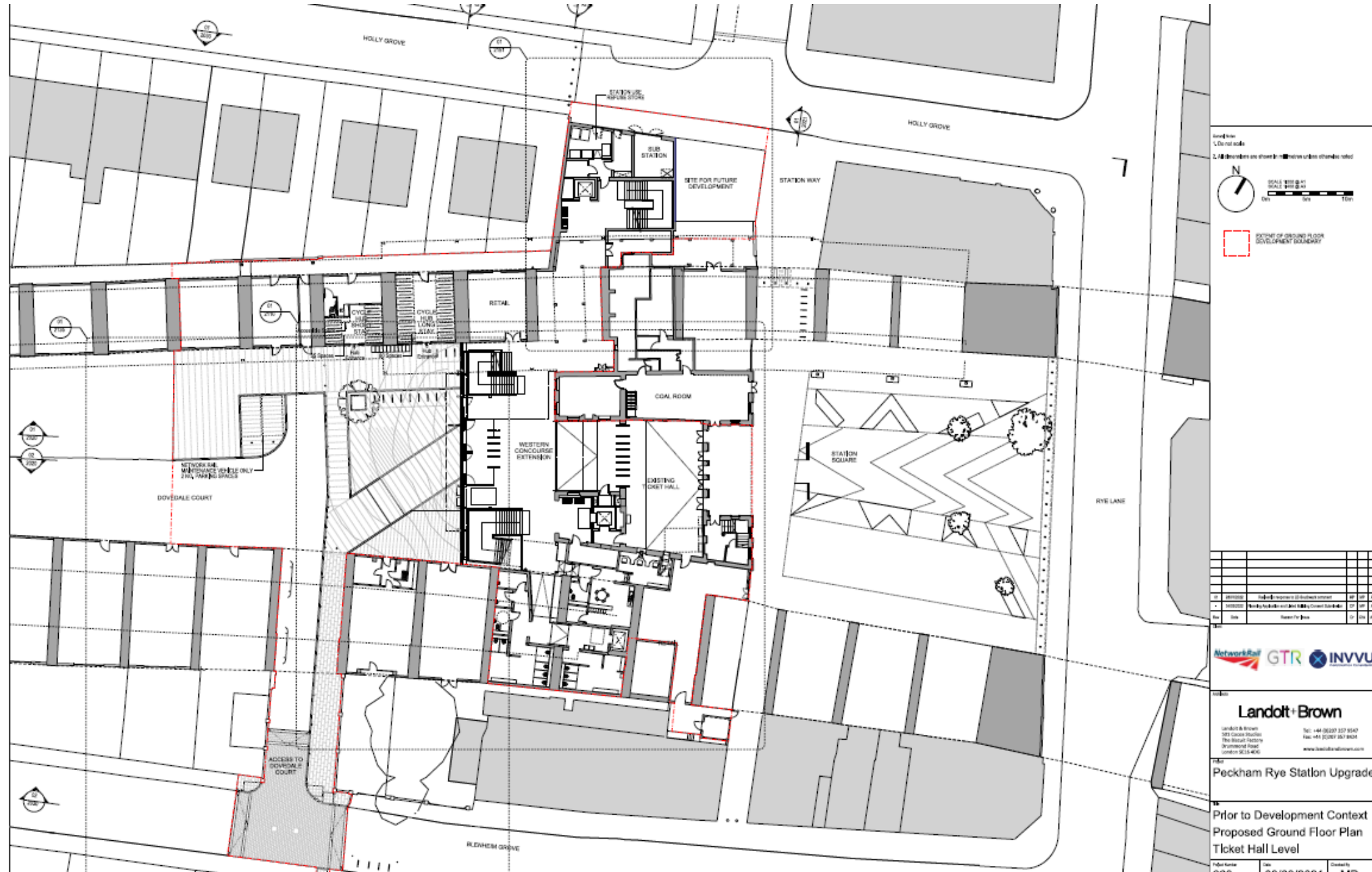
Peckham Rye Station Upgrade – Image of new Western Entrance (view arriving access path)



Peckham Rye Station Upgrade – Image of new Western Entrance (from Dovedale Court)



Peckham Rye Station Upgrade – Plan showing new Western Entrance



Level from
1. Do not scale
2. All dimensions are shown in metres unless otherwise noted

N

SCALE: 1:500 (AS SHOWN)
1:1000 (OVERALL)

EXTENT OF PROPOSED FLOOR DEVELOPMENT BOUNDARY

NO.	REVISION	DATE	BY	CHECKED BY

Network Rail GTR INVVU

Landolt + Brown
Landolt + Brown
303 Colindale Avenue
The Colindale Station
Drummond Road
London N2 2AG

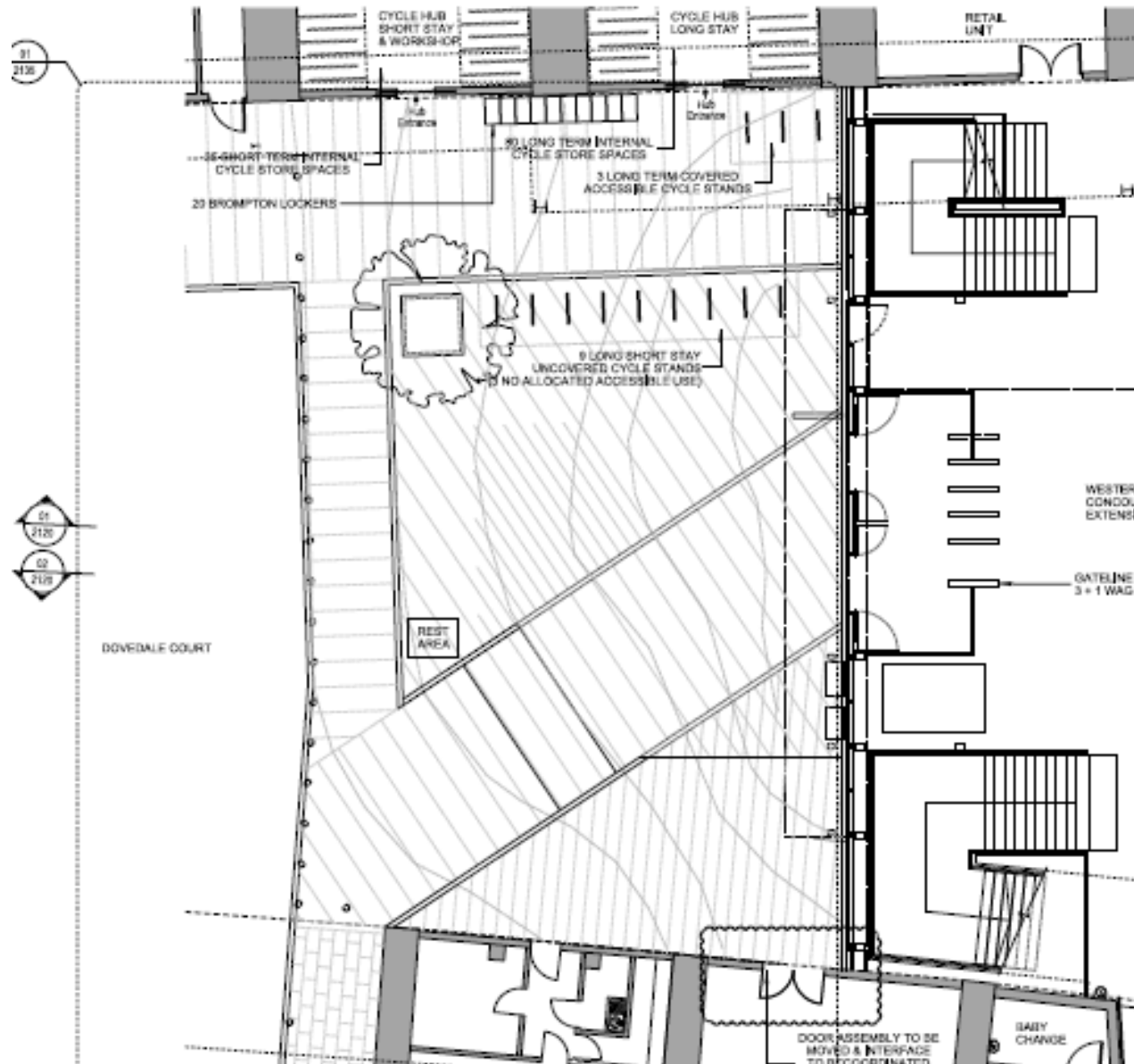
Tel: +44 (0)203 227 9547
Fax: +44 (0)203 227 9504
www.landoltandbrown.com

Peckham Rye Station Upgrade

Prior to Development Context
Proposed Ground Floor Plan
Ticket Hall Level

Project Name	Doc No	Drawn	Checked

Peckham Rye Station Upgrade – Closer look at Western station entrance and forecourt



- New western station entrance with attractive façade
- 3+1 ticket gates for access (passive provision for more)
- New paved western public forecourt (space for Brick Brewery), with HVM protection.
- New raised, safer access path for Dovedale Court
- New secure cycle hub
- Additional external Sheffield cycle stands
- Newly modified arches for let

8. Overall AFC – showing Southwark contribution towards whole.

Funding required for full programme													
Funder	Price base	CP6					CP7					CP8	Total
		19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	
DfT RNEP	1Q24		0.506	0.604	0.320	0.101	2.873	7.474	2.970	14.765	16.327	1.484	47.439
Southwark											1.000		
Active England											0.259		
RHT											0.250		
GTR											0.120		
Arch Company											0.071		
Grand total											18.027		49.139

Description	Total for cost exercise
DIRECT CONSTRUCTION WORKS	
BUILDINGS & PROPERTY	
TOTAL Buildings & Property	818,356.56
TOTAL Civil Engineering	633,700.38
Total Direct Construction Works	1,452,056.94
INDIRECT CONSTRUCTION WORKS	
TOTAL Preliminaries	265,913.17
Main Contractor's Overheads and Profit	171,797.01
Total Indirect Construction Works	437,710.18
Total Construction Works	1,889,767.12
EMPLOYER'S INDIRECT COSTS	
DESIGN TEAM FEES	
TOTAL Design Team Fees	107,595.10
PROJECT MANAGEMENT TEAM FEES	
TOTAL Project Management Team Fees	28,199.75
OTHER PROJECT COSTS	
TOTAL Other Project Costs	11,757.93
Total Project Management, Design & Other Costs	147,552.78
BASE COST ESTIMATE	2,037,319.90
RISK	
Risk Total	475,359.00
TOTAL	2,512,678.90
INFLATION	
Inflation	165,505.80
Cost Plan Outturn / Authority Total	2,678,184.70

Meeting Name:	Cabinet
Date:	22 July 2024
Report title:	Elephant and Castle Town Centre – Compulsory Purchase Order – Update
Cabinet Member:	Councillor Helen Dennis, New Homes and Sustainable Development
Ward(s) or groups affected:	North Walworth, St George's
Classification:	Open
Reason for lateness (if applicable):	N/a

FOREWORD - COUNCILLOR HELEN DENNIS, CABINET MEMBER FOR NEW HOMES AND SUSTAINABLE DEVELOPMENT

The council is committed to seeing the Elephant and Castle town centre delivered, to provide a much-needed improvement to the locality, including the new transport infrastructure, new mixed-tenure homes, an enhanced retail and cultural offer, improved premises for further education, and high quality public realm that will better stitch the town centre into its wider urban context.

The report draws Cabinet's attention to an update to the council's case for the CPO for the acquisition of land and rights, necessary for the implementation and completion of the Town Centre Scheme. The update primarily relates to the West Site of the scheme, where amendments are necessary largely due to recent changes to building regulation legislation. These amendments will be addressed through the Planning process and are being made widely available through public consultation and engagement.

The update will assist in ensuring proper procedure in the lead up to the CPO public inquiry is followed, with early notification to Cabinet and to the public, of the amended elements of the scheme. The update is therefore another important step towards realising this ambitious development for the borough.

RECOMMENDATIONS

Recommendations for the Cabinet

That the Cabinet:

1. endorse the submission by the council of a Supplementary Statement of Case for the CPO which will reflect the proposed amendments to the West Site of the scheme as outlined in this report and agrees that the CPO should be promoted on this basis.

2. note that further planning permission may be sought (to the extent required) for the East Site Phase 2 element of the scheme as set out in this report, and that this will also be referred to in the Supplementary Statement of Case.
3. approve the Director of Planning and Growth be authorised on behalf of the council to take all necessary, ancillary or incidental steps to give effect to the recommendations in the report.

REASONS FOR RECOMMENDATIONS

4. The council should bring any changes to its case for the CPO to the attention of affected parties at the earliest opportunity. For the reasons set out in this report, there are some proposed amendments to the West Site element of the scheme, and there is the possibility that planning permission may be re-applied for in respect of a small part of the East Site works. It is therefore considered prudent for the council to submit a Supplementary Statement of Case to the CPO inquiry to include these aspects and for Cabinet to endorse that position. A draft of the Supplementary Statement of Case is annexed to this report at Appendix B.

ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

5. The council could have proceeded without Cabinet endorsement but officers felt that, given the clarity now provided by the Government's updated building regulations legislation (as explained below), and the proposal for the West Site amendments to include student accommodation, it was better for Cabinet to consider and endorse the council's position on the West Site for the avoidance of doubt. Similarly it was felt prudent for Cabinet to be informed of the possibility that planning permission may be re-applied for in respect of a small part of the East Site works.

POST DECISION IMPLEMENTATION

6. The council will send its Supplementary Statement of Case to the Planning Inspectorate and the objectors to the CPO as soon as practicable after this Cabinet meeting.

BACKGROUND INFORMATION

7. Cabinet is aware of the town centre redevelopment scheme ("the Scheme"), having unanimously approved the use of CPO powers on 17 October 2023, which followed two earlier unanimous resolutions to use those powers to support the Scheme (in April 2020 and December 2022). The Scheme comprises two main geographical phases, the East Site (which is already well underway) and the West Site.
8. In summary, and with reference to drawings appended to the October 2023 cabinet report (as to which please see the background documents), the council is seeking to progress a December 2023 CPO ("the CPO") for the acquisition of land, primarily on the East Site, and the creation and acquisition of new rights over land on both the East Site and the West Site. The full background to the Scheme, the benefits of the Scheme, the relevant planning policies, the council's

powers and the legal and policy guidance framework, and the adverse effects of the CPO on affected parties, were set out in the cabinet Report of 17 October 2023.

9. In accordance with the October 2023 resolutions, the CPO was made on 29 December 2023 and the February 2023 CPO was withdrawn.
10. Statutory notice of the making of the CPO was given, with the council allowing over five weeks to object (as opposed to the statutory minimum of three weeks). The council provided Spanish translations of the main CPO documents to Spanish speakers.
11. Ten objections to the CPO were made. In addition, one holding representation was made by Corsica Studios, who are in advanced stages of negotiation with the developer, Elephant and Castle Properties Co Limited ("EC"), to agree a private treaty deal. .
12. In all cases the council and EC are continuing to seek to resolve matters through private treaty agreements so as to remove the objections.
13. A public inquiry will take place in October 2024 to hear the remaining objections against the CPO. In June 2024 the council sent its Statement of Case to the Planning Inspectorate and the objectors to the CPO. All of the principal documents relating to the CPO, including the Statement of Reasons and the Statement of Case, can be found on the CPO website at <https://gateleyhamer-pi.com/en-gb/elephant-and-castle>.
14. As explained further below, it has become necessary to amend the design of the residential buildings on the West Site, including the provision of second staircases within those buildings, to meet the updated building regulations regime. It will not be possible to build the currently consented West Site residential buildings under the revised building regulations regime. EC also proposes to incorporate a student accommodation use on the West Site in addition to the residential units.
15. The proposed amended West Site element of the Scheme will require further planning permission. The prospect of further planning permission potentially being required to meet the then emerging changes in the building regulations regime was identified in the October 2023 Cabinet report. However, as this has now occurred, and means that part of the Scheme does not yet have an implementable planning permission, and as the student accommodation use was not previously considered by Cabinet, it is considered prudent to obtain Cabinet's endorsement of the submission of a Supplementary Statement of Case for the CPO which will reflect the proposed amendments to the West Site of the Scheme as outlined in this report.
16. As explained later in this report, a technical point may also arise which means that planning permission for a small part of the East Site works may also need to be reapplied for to ensure it can be built once the West Site amendments are implemented.

KEY ISSUES FOR CONSIDERATION

The need for amendments

17. The changes to the building regulation regime (as regards second escape stairs in tall residential buildings) were published on 29 March 2024 and, in consequence, amendments are now required to the West Site element of the Scheme.
18. The updated Government building regulation legislation on the provision of second escape stairs in tall residential buildings takes effect on 30 September 2026 for all new residential buildings of 18 metres or over in height. Under transitional arrangements, the present rules, which require only one staircase in tall buildings, will continue to apply where (i) a building notice or an initial notice has been given to, or a building control approval application with full plans made to, the relevant authority before 30 September 2026 and (ii) the building work to which it relates has either started and "sufficiently progressed" before that day or is started and sufficiently progressed within the period of 18 months beginning on that day i.e. before 30 March 2028.
19. Due to the phasing and sequencing interdependency between the East Site completion and the West Site commencement (the one providing decant facilities for the other), it is unlikely that the piling for the new buildings on the West Site will have begun by March 2028, so the new building regulation legislation will apply to the West Site. It will not be possible for those buildings to be built as currently consented. For the avoidance of doubt, this change in Government building regulation legislation does not affect the East Site element of the Scheme.
20. EC estimates that, if the currently consented residential buildings on the West Site simply maintained their external building envelopes unamended, the introduction of the second staircase would result in the residential tall buildings on the West Site losing some 72 habitable rooms i.e. 72 two bedroom units would become one bedroom units to physically accommodate the additional staircases. Clearly neither EC nor the council wish to see a loss of habitable residential rooms, which would decrease the public benefit arising from the Scheme.
21. In addition to the loss of habitable floor-space, the introduction of second staircases significantly increases the building costs in relation to the residential buildings, EC estimates by approximately £5 million for the West Site as a whole at present day cost.
22. Loss of habitable rooms and an increase in costs due to the second staircase would have an adverse effect on the viability of the West Site element of the Scheme.
23. So, EC has had to respond to the introduction of the second staircase, the loss of the habitable floor-space and the increased cost arising from the second staircases. EC has sought to do so by designing amendments to the Scheme as described below.

The amendments to the Scheme on the West Site

24. On 2 July 2024 EC publicly announced that it would be consulting on its proposed amendments to the West Site element of the Scheme. The public consultation began in the week commencing 15 July.. A copy of the proposals has also been sent to the council as local planning authority. In summary, these comprise two tall residential buildings with an increased footprint and a third tall building as student housing, in lieu of the three tall residential buildings with smaller footprints in the current planning permission. Other proposed amendments address further updates to building legislation, including the introduction of electric powered air source heat pumps, in lieu of gas boilers.
25. It is proposed that the redesigned two residential buildings accommodate the second staircase in a central core and 8 residential units on a floor per core (rather than 6 per core as under the existing permission). The same number of general-needs mixed-tenure residential units (382, private rented and Intermediate affordable) as originally provided in the three tall buildings would be provided in the two redesigned residential tall buildings. The mansion blocks would remain largely the same (including the 116 Social Rent units) but these too would be amended to accommodate the second staircase. It is proposed to retain the other range of uses all as previously consented, including the retail (including affordable retail) and the leisure use.
26. The new student housing tall building would provide approximately 450 student accommodation bedrooms (subject to final detail). The student accommodation bedrooms will be in addition to the general needs residential units - it is proposed that the total number of the general needs residential units on the West Site (498) and the affordable housing provision within them remain unchanged. The affordable provision in respect of the student accommodation will be developed through the planning process.
27. A new planning application for the West Site will be required. The council as local planning authority will consider the full details of that application once it is made and cannot (and will not) pre-determine the outcome of that application. In principle the amendments to the Scheme are in line with planning policy.
28. EC has confirmed to the council the intention to proceed with the submission of a planning application for these amendments, with the envisaged planning timetable as follows: December 2024 – application submission; September 2025 – Planning Committee consideration; December 2025 – grant of planning permission.
29. Although there are no proposed physical changes to the East Site design as compared to the currently permitted design, EC may also choose to submit a separate planning application for the small element of the East Site which comprises the works to demolish the current Northern Line ticket hall and then incorporate that area into the remainder of Plot E2 (known as the East Site Phase 2 works). These works are already consented under the existing planning permission but there is a technical legal reason for potentially seeking a new permission in this limited respect. Whilst the East Site of the Scheme is largely scheduled to complete in 2026, that particular element of the East Site works can

only be completed after the new Underground station has opened and LUL have then decommissioned the current Northern Line ticket hall and handed it over to EC. At present, these particular works on the East Site are not likely to commence until at least 2029. In the meantime, it is envisaged that the new planning permission required for the West Site amendments will likely have been implemented on the West Site after LCC vacate that site into their new campus building (currently expected late 2027). As there will be some (albeit not extensive) physical differences between the current permission and a planning permission for the proposed West Site amendments, the possibility arises (based on planning case law) that implementing the proposed West Site amendments planning permission might prevent the carrying out of the later works on the East Site under the current permission. The submission of what would in effect be a renewal application for that limited element of the East Site works may therefore be pursued by EC on an avoidance of doubt basis. Such an application (if made) would only arise due to this potential, technical legal point. The council as local planning authority cannot (and will not) pre-determine the outcome of such an application. In principle it is considered that planning permission would be granted again for that element.

Analysis of the statutory tests and guidance in light of the West Site amendments

30. In light of the Scheme amendments, Appendix A contains an updated, detailed analysis of whether the use of CPO powers is justified, including an updated review of adverse impacts. Cabinet will see that the analysis concludes that the relevant tests and the 2019 Government Guidance on CPOs are all still met, and that all of the specific benefits arising from the use of the CPO powers that were previously identified still apply. It is considered that there are compelling reasons for continuing to seek the CPO powers at this time.

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

Community impact statement

Human Rights Implications

31. There is not considered to be any change to the human rights implications referred to in the October 2023 Cabinet report.

Equalities (including socio-economic) impact statement

32. The October 2023 Cabinet report contained analysis on the equalities impacts on the affected parties. The council and EC are continuing to seek to mitigate any adverse impacts as referred to in the October 2023 report. The council's June 2024 Statement of Case also considered equalities impacts in line with the continuing nature of the public sector equality duty, including socio-economic impacts, which the council treats as part of its public sector equality duty even though not enacted by the Equality Act 2010. In practice the inclusion of the socio-economic duty makes no difference to the analysis previously presented to cabinet, as the council was already appropriately mindful of these matters when deciding to make the CPO.

Health impact statement

33. The health impacts referred to in the October 2023 report are considered to still apply. Increased fire safety will also occur due to the proposed second staircases on the West Site.

Climate change implications

34. The climate change implications referred to in the October 2023 report are considered to still apply.

Resource implications

35. There are no changes to the resource implications noted in the October 2023 report.

Legal Implications

36. Please refer to paragraph 30 above and Appendix A for an updated analysis which confirms the use of the council's CPO powers remains justified.

Financial implications

37. There are no changes to the financial implications noted in the October 2023 report.

Consultation

38. EC is consulting upon the proposed amendments to the West Site. In terms of the CPO process, the council and EC continue to seek to resolve the objections so that private treaty deals can be achieved. All of the affected parties were afforded the opportunity to object to the CPO and the affected parties who are objectors will have the right to appear at the inquiry. The Council's Statement of Case has provided the other parties to the inquiry with advance notice of the council's case. The parties to the inquiry will have the opportunity to respond to the council's Supplementary Statement of Case and this will be the subject of evidence at the inquiry and consideration by the CPO Inspector.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Assistant Chief Executive, Governance and Assurance (LEG/KR)

39. The purpose of this report is to seek Cabinet's endorsement of the submission of a Supplementary Statement of Case for the CPO to reflect the fact that the West Site of the Scheme will need to be amended as outlined in this report.
40. The CPO is not specific to the existing planning permission and the Government's July 2019 Guidance on Compulsory Purchase Process does not require that planning permission must already have been granted. The council as acquiring authority will need to show that the Scheme is unlikely to be blocked by the need for planning permission.

41. The council should bring any changes to its case for the CPO to the attention of the affected parties at the earliest opportunity. The inclusion of the amendments to the West Site through a Supplementary Statement of Case (and referring to the fact that planning permission may be re-applied for in respect of a small part of the East Site works within that Supplementary Statement of Case) is therefore considered to be the prudent course of action.

Strategic Director of Finance (FC24/005)

42. This report is requesting the cabinet to endorse the submission by the council of a Supplementary Statement of Case for the CPO which will reflect the proposed amendments to the West Site of the Scheme as outlined in this report and agrees that the CPO should be promoted on this basis and to note that further planning permission may be sought (to the extent required) for the East Site Phase 2 element of the scheme as set out in this report, and that this will also be referred to in the Supplementary Statement of Case.
43. This report is also requesting the cabinet to approve the Director of Planning and Growth be authorised on behalf of the council to take all necessary, ancillary or incidental steps to give effect to the recommendations in the report.
44. The Strategic Director of Finance notes that 'Elephant and Castle Properties Co Limited' continues to underwrite in full the council's costs and liabilities associated with the CPO.
45. Staffing costs associated with this report will be contained within existing departmental revenue budgets.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Cabinet 17 October 2023_Public reports pack, Agenda item 14, p. 157	Sustainable Growth North, 5 th Floor, 160 Tooley Street, SE1	Catherine Brownell 020 7525 3625
Link: Agenda for Cabinet on Tuesday 17 October 2023, 11.00 am - Southwark Council (item 14)		
Cabinet 17 October 2023_Minutes of meeting, Item 14, p. 6	Sustainable Growth North, 5 th Floor, 160 Tooley Street, SE1	Catherine Brownell 020 7525 3625
Link: Cabinet minutes 17 October 2023		

APPENDICES

No.	Title
Appendix A	Updated analysis whether CPO powers are justified
Appendix B	Supplementary Statement of Case_status DRAFT

AUDIT TRAIL

Cabinet Member	Councillor Helen Dennis, New Homes and Sustainable Development	
Lead Officer	Steve Platts, Director of Planning and Growth	
Report Author	Catherine Brownell, Programme Manager, Sustainable Growth, North	
Version	Final	
Dated	9 July 2024	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Assistant Chief Executive – Governance and Assurance	Yes	Yes
Strategic Director, Finance	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team		9 July 2024

APPENDIX A**Updated analysis as to whether the use of CPO powers is justified
(including updated adverse impacts)**

1. Appendix J of the October 2023 report set out in detail the council's justification for the use of CPO powers, in the context of the statutory requirements and the CPO guidance.
2. The proposed amendments do not affect the East Site element of the Scheme. There is therefore no change to the adverse impacts that would arise from the redevelopment of the East Site as set out in paragraphs 1 -3, 5, 10 and 12 (as to the railway arches) of Appendix H of the October 2023 Cabinet report, nor to the analysis in Appendix J of the October 2023 report as to whether the use of CPO powers is justified in so far as that analysis applies to the East Site.
3. The potential adverse impacts in respect of the Tabernacle, crane oversail and equalities (as to the Tabernacle) as set out in paragraphs 6, 7 and 12 of Appendix H of the October 2023 Cabinet report still apply.
4. The overriding of rights of light and other rights held by third parties in respect of the East and West Sites as referred to in paragraph 9 of Appendix H of the October 2023 report will still apply, with the overriding applying to the amended West Site buildings as it applied to the originally consented buildings. That will be the case even without the CPO due to the separate process that the council put in place under section 203 Housing and Planning Act 2016, pursuant to a Cabinet resolution in April 2020.
5. Given the change in footprint of the tall buildings, it is considered likely that there will be some changes to rights of light infringements as compared to the infringements which would have been caused by the consented buildings. This can only be established definitively once the final design is settled but initial analysis by EC's rights of light surveyors, GIA, indicates that some properties in the surrounding vicinity, all of which were previously considered, are thought to be more impacted than was previously estimated. However, as referred to in paragraph 9 of Appendix H to the October 2023 report, it is not considered that there are any such rights in respect of the areas that will be subject to acquisition under the CPO which would be problematic, but any such rights as exist will be overridden by way of the implementation of the CPO.
6. Adverse daylight, sunlight and overshadowing effects will still occur in respect of nearby properties as referred to in paragraph 10 of Appendix H of the October 2023 report. Any change in impacts in this respect could only be established definitively once the final design of the West Site buildings is settled, but GIA have conducted initial analysis and they do not believe that the proposed changes will materially alter their previous results and conclusions on daylight, sunlight and overshadowing.

7. As noted in paragraph 11 of Appendix H of the October 2023 report, the currently permitted design would cause harm (in the planning sense) to the setting of the Metropolitan Tabernacle and substantial weight is given to that harm. With the change in footprint of the West Site buildings, the harm will need to be considered again once the final design is submitted in the planning application, but it is expected that the amended buildings would still cause harm to the setting of the Tabernacle (with approximately the same degree of harm) and substantial weight should still be given to that harm.
8. Section 226 (1)(a) test – the council thinks that the acquisition of title and new rights as per the CPO will facilitate the carrying out of the development, re-development or improvement on, or in relation to, the land covered by the CPO. The title and new rights sought in relation to the West Site are still necessary to enable demolition and construction in respect of the West Site. The design changes for the buildings on the West Site do not affect the need to be able to access the Tabernacle to facilitate the demolition, nor the need to use cranes which will need to swing over the Tabernacle and other adjacent areas. EC has confirmed to the council that the amended footprints of the tall buildings on the West Site should not alter the proposed crane oversail areas shown on the CPO map. The acquisition of the small areas of unregistered land as shown on the CPO map is still required for the amended design, as is the acquisition of the two leasehold sub-station interests which still sit in the middle of the proposed redevelopment. EC and Get Living have confirmed to council officers the intention to go ahead with the West Site element of the Scheme as amended subject to planning permission being granted and the confirmation of the CPO.
9. Section 226(1A) test – the council thinks that the development, re-development or improvement is 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; and (c) the promotion or improvement of the environmental well-being of their area. In this case, the council thinks that the redevelopment is likely to contribute to the improvement of all three well-being objects. The improvements in economic, social and environmental well-being (including the specific improvements that the CPO would directly deliver) as set out in Appendix J of the October 2023 report will still apply. Indeed it is likely that the changes to the Scheme will bring about additional economic, social and environmental well-being benefits.
10. The CPO remains essential to the successful implementation and completion of the Scheme and the many well-being improvements it will bring and the test in section 226(1A) is met.
11. In terms of the key paragraphs from the Government's July 2019 Guidance on CPOs (the Guidance), Cabinet is referred to paragraphs 20-23 and 25 of Appendix J of the October 2023 report – all the paragraphs of the Guidance therein stated are considered still to be met, including (but not limited to) the "*compelling case in the public interest*" for the use of CPO powers. The Scheme will transform the town centre. Although there are some adverse effects, as referred to elsewhere in this report, it is considered that these are

relatively minor and in any event need to be weighed against the very significant and numerous public benefits that will accrue from the Scheme. This is considered to be the case even in relation to the specific benefits that would be directly delivered through the use of the CPO powers. The CPO is still necessary to unlock these benefits of the Scheme. The public benefits arising from the use of the new CPO powers amount to sufficiently compelling reasons for powers to be sought and outweigh the loss and any overriding of property interests to individuals and businesses arising from the CPO.

12. In terms of the Guidance paragraph 12 that *“when making [a CPO] acquiring authorities...should ensure that the purposes for which the CPO is made justify interfering with the human rights of those with an interest in the land affected”*, the council's purpose in making the CPO is unchanged, i.e. to facilitate the development, redevelopment or improvement on or in relation to the CPO land, namely the Scheme. All of the constituent elements of the Scheme previously identified are still present, with the addition of the student accommodation. The evolution of the Scheme on the West Site has been driven in large part by the need to meet the new regulatory requirements and by the need to respond to the challenges that has brought in terms of loss of habitable floor-space and increased cost referred to in the main body of the report. The public benefits arising from the Scheme outweigh, and justify interference with, human rights and such interference is proportionate to the large level of public benefits that would arise from the Scheme, even if those benefits are limited to those directly delivered by the CPO.
13. As to paragraph 13 of the Guidance that *“the acquiring authority must be able to demonstrate that there are sufficiently compelling reasons for the powers to be sought at this time...”*, there are sufficiently compelling reasons for the CPO powers to be sought at this time – whilst the new planning permission will need to be granted on the West Site, and the council is not pre-judging the determination of the application, it is considered likely that such permission will be granted given the development plan allocations for the site and its planning history, and that therefore planning consent is unlikely to be an impediment. Subject to permission being granted, and the CPO being confirmed, in a reasonable timeframe, it is not considered that the West Site construction works will occur any later than previously envisaged.
14. As to funding (paragraph 14 of the Guidance), EC has confirmed that the funding intentions for the West Site remain unchanged and EC is confident that funding will be in place in good time to carry out the West Site works as envisaged.
15. As to paragraph 15 of the Guidance *“that the acquiring authority will also need to be able to show that the scheme is unlikely to be blocked by any physical or legal impediments to implementation”*, including any need for planning permission, whilst it is accepted that the building regulations changes and student accommodation use necessitate a new permission on the West Site, for the reasons given above it is considered likely that planning permission would be granted for the West Site revisions to the Scheme. Similarly, the East Site Phase 2 works further permission is only being sought to address a potential technical legal point and given that consent already exists for

those works it is considered likely that it will be granted again. There are no other changes to the analysis as to potential impediments set out in the October 2023 report i.e. there are unlikely to be any impediments to the Scheme if the CPO is confirmed.

16. As to paragraph 2 of the Guidance that the Secretary of State “*will expect the acquiring authority to demonstrate that they have taken reasonable steps to acquire all of the land and rights included in the Order by agreement*”, the council and EC continue to act reasonably in seeking negotiated settlements, as evidenced by the agreement of heads of terms with Corsica Studios since Cabinet last considered the CPO, and the removal by the gas undertaker SGN of its objection to the CPO following discussions with EC.
17. As to paragraph 106 of the Guidance that the Secretary of State can be expected to consider “*whether the purpose for which the land is being acquired fits in with the adopted Local Plan for the area...and the National Planning Policy Framework*”, the council’s purpose in pursuing the CPO is referred to above. It is considered that in land use and planning policy terms the student accommodation use in principle fits with the London Plan, the Southwark Plan and the National Planning Policy Framework. The Scheme as a whole continues to comply with planning policy.
18. Paragraph 106 of the Guidance also states that the Secretary of State can be expected to consider “*the extent to which the purpose of the CPO will contribute to the promotion or improvement of the economic, social or environmental well-being of the area*”. It is considered that the amendments to the West Site will enhance the benefits arising pursuant to the Scheme in all three well-being categories.
19. Paragraph 106 of the Guidance also states that the Secretary of State can be expected to consider “*whether the purpose for which the acquiring authority is proposing to acquire could be achieved by other means*”. As per the October 2023 Cabinet report, it remains the case that the proposed purpose for which the council is acquiring the land would not be achieved by any other means.
20. As to the “*potential financial viability*” of the Scheme (paragraph 106 of the Guidance), the same comments about the East Site as were made in paragraph 58 of Appendix J of the October 2023 report apply. As regards the West Site, the same position on the reality of the situation (i.e. that the developer’s group company is committed to buying the West Site at a considerable sum, and so it is likely the site will be redeveloped to recoup a return on investment) still applies as set out in paragraph 58 of Appendix J of the October 2023 report. The viability of the Scheme amendments on the West Site will be influenced in part by the level of affordable accommodation provision which is required in respect of the student accommodation, which will need to be discussed as part of the planning application in due course. A similar situation occurred in respect of the affordable housing provision on the residential aspects of the East and West Sites and a satisfactory outcome for the council and EC was achieved, and the East Site of the Scheme is advancing even though the target rate of return was not forecast to be met.

Whatever the position, the addition of the student accommodation use will make the redevelopment on the West Site markedly more viable. The Guidance points out that a CPO can still be confirmed if there is uncertainty over financial viability if the case for it is very compelling. There is no real uncertainty that the West Site (with the amendments) will proceed given the factors above but, even if there was such uncertainty, the confirmation of the CPO will still be justified because the case for the CPO is so very compelling.

21. The analysis set out in the October 2023 report as to relocation opportunities is unchanged by the amendments to the West Site.
22. In respect of the statutory duty under section 66(2) of the Planning (Listed Buildings and Conservation Areas) Act 1990 to have regard to the desirability of preserving features of special architectural or historic interest, and in particular listed buildings, in the exercise of the powers of disposal under section 233, the Metropolitan Tabernacle is a listed building and some minor works to that building are required and have received listed building consent. The council will acquire new rights over the land under the CPO and EC will be able to utilise those new rights. Cabinet will note that notwithstanding the substantial weight given to harm to the setting of the Tabernacle, for the currently permitted design the Planning Committee concluded that such harm would be outweighed by the significant public benefits accruing from the Scheme. Any effects the Scheme (as currently permitted) may have on the other designated heritage assets in the locality, including the Faraday Memorial and Metro Central Heights listed buildings, listed buildings at West Square and the West Square and Elliott Row Conservation Areas, and any undesignated heritage assets, were fully considered by the Planning Committee. This exercise of assessment and consideration of any harm as to heritage assets will need to be repeated once the West Site amendments final design is submitted by way of the planning application. It is expected that harm to the setting of the Tabernacle will still arise from the amended design and substantial weight is given to that harm. Based on the pre-application submission it is considered unlikely that there would be any significant increase in adverse heritage impacts in this respect.
23. As per the Guidance, the correct statutory procedures have been followed by the council, as evidenced by the fact that any affected parties who wished to do so were able to object during the objection period, which was considerably longer than the statutory minimum objection period. The council will continue to comply with the correct statutory procedures.

**THE LONDON BOROUGH OF SOUTHWARK
(ELEPHANT AND CASTLE TOWN CENTRE)
COMPULSORY PURCHASE ORDER (No. 2) 2023**

**SUPPLEMENTARY STATEMENT OF
CASE
OF THE LONDON BOROUGH
OF SOUTHWARK
(ACQUIRING AUTHORITY)**

Section 226(1)(a) Town and Country Planning Act 1990

Acquisition of Land Act 1981

Section 13 Local Government (Miscellaneous Provisions) Act 1976

Rule 7 of The Compulsory Purchase (Inquiries Procedure) Rules 2007

Date: XXX July 2024

TABLE OF CONTENTS

		Page
1.	INTRODUCTION	1
2.	WEST SITE – THE NEED FOR AMENDMENTS TO THE SCHEME	2
3.	THE WEST SITE AMENDMENTS	3
4.	UNCHANGED SECTIONS OF THE STATEMENT	4
5.	PLANNING POLICY FRAMEWORK.....	4
6.	PROPOSALS FOR THE USE OR DEVELOPMENT OF THE LAND - THE SCHEME	6
7.	PURPOSE AND JUSTIFICATION FOR THE ORDER	6
8.	HUMAN RIGHTS	9
9.	EQUALITY ACT 2010	9
10.	RESOURCES AVAILABLE FOR THE SCHEME.....	9
11.	HOW THE COUNCIL WILL OVERCOME ANY OBSTACLE OR PRIOR CONSENT NEEDED TO IMPLEMENT THE SCHEME.....	10
12.	OVERALL JUSTIFICATION - WHETHER THERE IS A COMPELLING CASE IN THE PUBLIC INTEREST FOR THE ORDER.....	10

1. INTRODUCTION

- 1.1 The London Borough of Southwark (“**the Council**”) made the London Borough of Southwark (Elephant and Castle Town Centre) Compulsory Purchase Order (No. 2) 2023 (“**the Order**”) on 29 December 2023.
- 1.2 The Order was submitted to the Secretary of State for Levelling Up, Housing and Communities for confirmation on 5 April 2024.
- 1.3 On 19 June 2024, the Council submitted its Statement of Case (“**the Statement**”). A Spanish version of the Statement was also provided where appropriate.
- 1.4 This Supplemental Statement of Case (“**SSoC**”) is supplemental to the Statement. Defined terms used in this SSoC have the meanings given to them in the Statement unless clearly indicated otherwise.
- 1.5 As explained in paragraphs 6.56 – 6.60 of the Statement, building regulation changes mean that it is no longer possible to construct the consented buildings on the West Site of the Scheme, so changes to the form of the development on the West Site are required. This SSoC provides more detail on the reasons for the changes, and the scope of those changes, to the West Site.
- 1.6 As foreshadowed in paragraph 6.63 of the Statement, EC publicly announced on 2 July 2024 that it intended to hold a public consultation on the amended proposals for the West Site of the Scheme. On 15 July 2024, that public consultation began.
- 1.7 On 15 July 2024, the Council published the agenda and reports for its 22 July Cabinet meeting. Agenda item XXX was a report requesting that Cabinet endorse the submission by the Council of this SSoC, as part of its CPO case, to reflect the proposed amendments to the West Site of the Scheme as outlined in the report, and that Cabinet agrees that the Order should be promoted on that basis. Cabinet was also asked to note that further planning permission may be sought (to the extent required) for the East Site Phase 2 element of the scheme as set out in the Cabinet report, and that this would also be referred to in this SSoC. An advanced draft of this SSoC was appended to the Cabinet report.
- 1.8 Objectors to the Order and the Planning Inspectorate were sent a link by e-mail to the Cabinet report, as well as the consultation material, on 15 July 2024 with an explanation of the purpose of the report.
- 1.9 On 22 July 2024, Cabinet resolved to endorse the submission of this SSoC and that the Order should be promoted on the basis set out in the Cabinet report. A copy of the 22 July Cabinet report was also added to the Order website as Core Document 1.11.
- 1.10 This SSoC therefore sets out the Council’s case for the confirmation of the Order to reflect the amendments to the West Site. It explains the need for the amendments to the West Site; explains the amended West Site proposals; and then, where necessary, updates and supplements the Statement in certain respects to reflect those amendments.

1.11 There are no changes to the enabling powers for the Order as set out in section 2 of the Statement. Pursuant to section 226(1)(a) of the 1990 Act, the Council's purpose in making and promoting the Order is unchanged i.e. to facilitate the development, redevelopment or improvement on or in relation to the Order Land, by way of the Scheme. Furthermore, pursuant to section 226(1A) of the 1990 Act, the Council continues to think that such development, redevelopment or improvement is likely to contribute to the achievement of the promotion or improvement of the economic, social and environmental well-being of the Borough of Southwark.

1.12 The promotion of the Order also continues to accord with the Guidance. The key parts of the Guidance were set out in Section 2 of the Statement.

1.13 A Spanish translation of this SSoC has also been made available.

2. WEST SITE – THE NEED FOR AMENDMENTS TO THE SCHEME

2.1 The changes to the building regulation regime (as regards second escape stairs in tall residential buildings) were published by the Government on 29 March 2024 and, in consequence, amendments are now required to the West Site element of the Scheme.

2.2 The updated Government building regulation legislation on the provision of second escape stairs in tall residential buildings takes effect on 30 September 2026 for all new residential buildings of 18 metres or over in height. Under transitional arrangements, the present rules, which require only one staircase in tall buildings, will continue to apply where (i) a building notice or an initial notice has been given to, or a building control approval application with full plans made to, the relevant authority before 30 September 2026 and (ii) the building work to which it relates has either started and "sufficiently progressed" before that day or is started and sufficiently progressed within the period of 18 months beginning on that day i.e. before 30 March 2028.

2.3 Due to the phasing and sequencing interdependency between the East Site completion and the West Site commencement (the one providing decant facilities for the other), it is unlikely that the piling for the new buildings on the West Site will have begun by March 2028, so the new building regulation legislation will apply to the West Site. It will not be possible for those buildings to be built as currently consented.

2.4 For the avoidance of doubt, this change in Government building regulation legislation does not affect the East Site element of the Scheme, which is already well underway. There are no physical changes to the East Site as a result of the West Site amendments.

2.5 EC estimates that, if the currently consented residential buildings on the West Site simply maintained their external building envelopes unamended, the introduction of the second staircase would result in the residential tall buildings on the West Site losing some 72 habitable rooms i.e. 72 two bedroom units would become one bedroom units to physically accommodate the additional staircases. Clearly neither EC nor the Council wish to see a loss of habitable residential rooms, which would decrease the public benefit arising from the Scheme.

- 2.6** In addition to the loss of habitable floor-space, the introduction of second staircases significantly increases the building costs in relation to the residential buildings, EC estimates by approximately £5 million for the West Site as a whole at present day cost.
- 2.7** Loss of habitable rooms and an increase in costs due to the second staircase would have an adverse effect on the viability of the West Site element of the Scheme.
- 2.8** EC has therefore had to respond to the introduction of the second staircase, the loss of the habitable floor-space and the increased cost arising from the second staircases. EC has sought to do so by designing amendments to the Scheme as described in section 3.

3. THE WEST SITE AMENDMENTS

- 3.1** In summary, the amendments to the West Site element of the Scheme comprise two tall residential buildings with an increased footprint and a third tall building as purpose built student accommodation (“**PBSA**”), in lieu of the three tall residential buildings with smaller footprints in the current planning permission. Other proposed amendments address further updates to building legislation, including the introduction of electric powered air source heat pumps, in lieu of gas boilers.
- 3.2** It is proposed that the redesigned two residential buildings accommodate the second staircase in a central core and 8 residential units on a floor per core (rather than 6 per core as under the July 2021 Permission). The same number of general-needs mixed-tenure residential units as originally provided in the three tall buildings (382) would be provided in the two redesigned residential tall buildings. It is proposed to retain the other range of uses all as previously consented, including the retail (including affordable retail) and the leisure use. The mansion blocks would remain largely the same but these too would need to accommodate the second stair case.
- 3.3** The new PBSA tall building would provide approximately 450 student accommodation bedrooms (subject to final detail). The student accommodation bedrooms will be in addition to the general needs residential units - it is proposed that the total number of the general needs residential units on the West Site (498) and the affordable housing provision within them remain unchanged. The affordable provision in respect of the student accommodation will be developed through the planning process.
- 3.4** The amended West Site will deliver all of the elements that are currently consented but with the addition of the PBSA.
- 3.5** A new planning application for the West Site will be required. The Council as local planning authority will clearly need to consider the full details of that application once it is made and cannot (and will not) pre-determine the outcome of that application. In principle the amendments to the Scheme are in line with planning policy.

4. UNCHANGED SECTIONS OF THE STATEMENT

- 4.1** The following sections of the Statement are unchanged as a result of the West Site amendments.
- 4.2** Section 2 (enabling powers) – there are no changes to the enabling powers for the Order nor to the Guidance. Continued compliance with the requirements of the legislation, and continued satisfaction of the Guidance, are demonstrated in sections 5, 7, 10, 11 and 12 of this SSoC.
- 4.3** Section 3 (Background and context).
- 4.4** Section 4 (Description of the Order Land) - there are no changes required to the extent or description of the Order Land, nor to the Order Map, nor to the parties set out in the Schedule. There are no changes to the number or nature of new rights being sought under the Order, all of which are still considered to be necessary in respect of the amended West Site redevelopment.
- 4.5** Section 8 (Special considerations affecting the Order Land).
- 4.6** Section 13 (Steps taken by the Council to negotiate for the acquisition of land).
- 4.7** Section 14 (Details of any related orders etc)
- 4.8** Section 15 (Response to objections)
- 4.9** Section 17 (Further information for persons affected by the Order)
- 4.10** Section 18 (Inspection of the Order and Order documents)
- 4.11** Section 19 (Further reference documents) – save that these are updated to include the objections to the Order, the Statement, the 22 July Cabinet report and this SSoC. All of these documents have been added to the documents which are on deposit at the Council’s 160 Tooley Street offices and can also be viewed on the Order website <https://gateleyhamer-pi.com/en-gb/elephant-and-castle>.
- 4.12** Those sections of the Statement which require updating in light of the West Site amendments are now considered. They are dealt with in the order that they appear in the Statement.

5. PLANNING POLICY FRAMEWORK

- 5.1** Section 5 of the Statement set out the relevant planning policy framework for the Scheme. This is largely unchanged but the addition of the PBSA on the West Site engages the following planning policies.
- 5.2** London Plan Policy H15 advises that boroughs should seek to ensure that local and strategic need for PBSA is addressed, subject to certain criteria. Those criteria include the provision of affordable student accommodation and a nominations agreement for the majority of the bedrooms in favour of one or more higher education institutions. Paragraph 4.15.6 states that PBSA should provide adequate functional

living space and layout for the occupants, and the design must be high quality in accordance with the requirements of Policy D3 “*optimising site capacity through the design led approach*”.

- 5.3** London Plan Policy D3 states that all developments must make the best use of land by following a design led approach that optimizes the capacity of sites. London Plan paragraph 4.1.9 states that net non-self-contained accommodation for students should count towards meeting housing targets on the basis of a 2.5:1 ratio.
- 5.4** Policy SP1 of the Southwark Plan 2022 states, inter alia that the Council “*will use every tool at our disposal to increase the supply of all different kinds of homes*”.
- 5.5** The supporting text to Southwark Plan Policy P5 - Student Homes, recognises there is a need for more student accommodation across the whole of London, but in Southwark this needs to be balanced with meeting the needs for other types of homes. Policy P5 states that the development of purpose built student housing must provide 5% of rooms adaptable for wheelchair users and sets out the requirements for affordable housing and affordable student rooms.
- 5.6** Southwark Plan Policy AV.09, setting out the Elephant and Castle Area Vision, was already summarised in the Statement but in the context of PBSA it is relevant that it identifies the need to maximise the delivery of new homes. The Area Vision seeks to harness the expertise and infrastructure from the universities to develop a strong dynamic specialised local economy and supports the provision of new university facilities.
- 5.7** The inclusion of PBSA in the revised proposals for the West Site would be in addition to the currently consented residential units and other uses. As such, the additional units would contribute directly to the need for student homes and indirectly to increasing the supply of general residential homes (Class C3) in the area.
- 5.8** Whilst Site Allocation policy NSP48 does not specifically refer to PBSA in the list of required land uses, it does not preclude that use. The relevant design and other factors in policy NSP48 will be addressed.

Conclusion on planning policy framework

- 5.9** All levels of planning policy strongly support the Scheme as amended. In the context of paragraph 106 of the Guidance, the purpose for which the land is being acquired (to facilitate the development, redevelopment or improvement on or in relation to the Order Land, by way of the Scheme) continues to very much fit in with the statutory development plan and the NPPF. Delivery of many of the local plan’s aims and targets for the Elephant and Castle Town Centre remains dependent on the successful completion of the Scheme.

6. PROPOSALS FOR THE USE OR DEVELOPMENT OF THE LAND - THE SCHEME

Planning Position

- 6.1** The planning position as to the Scheme was set out at section 6 of the Statement.
- 6.2** By way of update, the public consultation on the West Site amendments has begun and the following timetable is envisaged for the submission and determination of the requisite planning application for the West Site amendments: December 2024 – application submission; September 2025 – Planning Committee consideration; December 2025 – grant of planning permission.
- 6.3** Although there are no proposed physical changes to the East Site design as compared to the currently permitted design, EC may also choose to submit a separate planning application for the small element of the East Site which comprises the works to demolish the current Northern Line ticket hall and then incorporate that area into the remainder of Plot E2 (known as the East Site Phase 2 works). These works are already consented under the July 2021 Permission but there is a technical legal reason for potentially seeking a new permission in this limited respect. Whilst the East Site of the Scheme is largely scheduled to complete in 2026, that particular element of the East Site works can only be completed after the new Underground station has opened and LUL have then decommissioned the current Northern Line ticket hall and handed it over to EC. At present, these particular works on the East Site are not likely to commence until at least 2029. In the meantime, it is envisaged that the new planning permission required for the West Site amendments will likely have been implemented on the West Site after LCC vacate the LCC Site into their new campus building (currently expected late 2027). As there will be some (albeit not extensive) physical differences between the July 2021 Permission and a planning permission for the proposed West Site amendments, the possibility arises (based on planning case law of *Pilkington* and *Hillside*) that implementing the proposed West Site amendments planning permission might prevent the carrying out of the later works on the East Site under the current permission. The submission of what would in effect be a renewal application for that limited element of the East Site works may therefore be pursued by EC on an avoidance of doubt basis. Such an application (if made) would only arise due to this potential, technical legal point.
- 6.4** Please refer to section 11 of this SSoC as to the prospects of planning permission being granted for these aspects of the Scheme.

7. PURPOSE AND JUSTIFICATION FOR THE ORDER

- 7.1** The purpose of the Council in making and promoting the Order continues to be to facilitate the development, redevelopment or improvement on or in relation to the Order Land, by way of the Scheme.
- 7.2** The Council thinks the making and confirmation of the Order will facilitate the carrying out of development, re-development, or improvement on, or in relation to, the Order Land. The Scheme is already well underway on part of the East Site, adjacent to the Order Land, and EC has shown through all of its progress its continued

intention to proceed with the Scheme so as to complete the East Site redevelopment and then carry out the West Site redevelopment if CPO powers are utilised. Despite considerable effort being expended in seeking to acquire the requisite land interests for the Scheme as a whole by agreement, this has not occurred to date. Without the use of CPO powers, it will not be possible to deliver key areas of public realm on the East Site, including the Park Route, nor to complete the East Site redevelopment of the Scheme.

- 7.3** The title and new rights sought in relation to the West Site remain necessary to enable demolition and construction in respect of the West Site. The design changes for the buildings on the West Site do not affect the need to be able to access the Tabernacle to facilitate the demolition, nor the need to use cranes which will need to swing over the Tabernacle and other adjacent areas. EC has confirmed to the Council that the amended footprints of the tall buildings on the West Site should not alter the proposed crane oversail areas shown on the CPO map. The acquisition of the small areas of unregistered land as shown on the CPO map is still required for the amended design, as is the acquisition of the two leasehold sub-station interests which still sit in the middle of the proposed redevelopment. EC and Get Living have confirmed to Council officers the intention to go ahead with the West Site element of the Scheme as amended subject to planning permission being granted and the confirmation of the CPO.
- 7.4** So the Order will facilitate the carrying out of redevelopment on, or in relation to, the Order Land and thus the test in section 226(1)(a) is satisfied.
- 7.5** In terms of the test under section 226(1A), the Scheme as amended continues to represent a vital, comprehensive redevelopment of Elephant and Castle town centre. In this case, the Council thinks the development, re-development or improvement is likely to contribute very significantly to the improvement of all three well-being objects.

Contribution to the economic, social and environmental well-being of the area

- 7.6** All of the well-being improvements identified in section 7 of the Statement, including those well-being improvements that the Order will directly deliver, still apply. It is likely that the changes to the Scheme will bring about additional economic, social and environmental well-being benefits.
- 7.7** In *economic* well-being terms, it is considered likely that the provision of the PBSA would be of benefit to the local education institutions in the vicinity, as it will provide conveniently located, new accommodation very close to those institutions, which is likely to assist in attracting students. This will be particularly so if a nominations agreement is entered into with one or more of those institutions, giving them the right to nominate that their students occupy bedrooms within the building.
- 7.8** In *social* well-being terms, the proposed PBSA use will contribute to a mixed and inclusive neighbourhood as envisaged by planning policy. There is significant demand for accommodation for students and the provision of PBSA in a highly accessible town centre location would assist in meeting that demand. It is also

considered likely that it would relieve some pressure on general needs housing in the area through displacement of student occupation from general housing.

- 7.9** The new PBSA would also comply with the 5% minimum easily adaptable for wheelchair users requirement in the New Southwark Plan thereby assisting in inclusion for people with disabilities.
- 7.10** In *environmental* well-being terms, the amended West Site proposals would meet the latest regulatory requirements as to second staircases and sustainability of the West Site accommodation (with the improvements as to the heating system).
- 7.11** The proposed amendments do not affect the East Site element of the Scheme. There are no additional adverse impacts that would arise for the objectors to the Order whose land or occupational interests are based around the railway viaduct arch units (Beset, some of the 7 Farrell Court occupiers, DistriAndina and Arch Co) and the railway viaduct (Network Rail). There are no changes to the proposed relocation opportunities being offered to Beset, the 7 Farrell Court occupiers and DistriAndina. There is no change to the justification for the Order in respect of the East Site as set out in paragraphs 7.3 – 7.11 inclusive of the Statement.
- 7.12** The West Site amendments would not cause any additional potential adverse impacts for the Metropolitan Tabernacle beyond those that have previously been identified. The legal agreement which is being negotiated with the Tabernacle also contains various safeguards for the benefit of the Tabernacle in the manner that the adjacent demolition works will be carried out, all of which will still apply in respect of the amended West Site proposal.
- 7.13** Notwithstanding that there will be negative effects on those affected by the Order, as considered fully again by the Council's Cabinet on 22 July (with updated analysis as to the negative effects of the Order, in light of the amendments to the West Site of the Scheme, contained in Appendix A to the 22 July Cabinet report) and having taken those negative effects into account, the development, re-development or improvement is likely to contribute to the achievement of all of the well-being objects in accordance with section 226(1A) of the 1990 Act.
- 7.14** The CPO remains essential to the successful implementation and completion of the Scheme and the many well-being improvements it will bring and the test in section 226(1A) is met.

Whether the purpose for which the Council is proposing to acquire the land could be achieved by other means

- 7.15** There is no change to the analysis set out in paragraphs 7.29 – 7.40 of the Statement, in particular (but not limited to) the fact that all of the elements included in the Order Map remain essential to the successful implementation, completion and use of the Scheme. The Order will address the last few pieces of the jigsaw in terms of land assembly.

8. HUMAN RIGHTS

Section 9 of the Statement dealt with human rights implications. The Council considered human rights aspects again as part of the 22 July 2024 Cabinet report. It is not considered that the West Site amendments give rise to any changes to the human rights implications, analysis and conclusions included in section 9 of the Statement.

9. EQUALITY ACT 2010

9.1 Section 10 of the Statement dealt with equalities aspects, including socio-economic disadvantage. The Council's Cabinet considered equalities aspects (including socio-economic impacts) again on 22 July 2024. The conclusions reached in paragraph 10.12 of the Statement continue to apply. The equalities position will continue to be monitored and reviewed throughout the progression of the Scheme.

9.2 Additional enquiries of the parties affected by the CPO have brought to light further information which will be taken into account as matters progress.

10. RESOURCES AVAILABLE FOR THE SCHEME

10.1 Section 11 of the Statement dealt with resources and viability.

10.2 EC has confirmed that the funding intentions for the West Site remain unchanged and EC is confident that funding will be in place in good time to carry out the West Site works as envisaged. The Council concurs that it is likely that the funding will be available.

10.3 As to the "*potential financial viability*" of the Scheme (paragraph 106 of the Guidance), the same comments about the East Site as were made in paragraph 11.14 of the Statement apply. As regards the West Site, the same position on the reality of the situation (i.e. that EC's group company is committed to buying the West Site at a considerable sum, and so it is likely the site will be redeveloped to recoup a return on investment) still applies as set out in paragraph 11.14 of the Statement. The viability of the West Site will be influenced in part by the level of affordable accommodation provision which is required in respect of the student accommodation, which will need to be discussed as part of the planning application in due course. A similar situation occurred in respect of the affordable housing provision on the residential aspects of the East and West Sites and a satisfactory outcome for the Council and EC was achieved, and the East Site of the Scheme is advancing even though the target rate of return was not forecast to be met. Whatever the position, the addition of the student accommodation use will make the redevelopment on the West Site markedly more viable. The Guidance points out that a CPO can still be confirmed if there is uncertainty over financial viability if the case for it is very compelling. There is no real uncertainty that the West Site (with the amendments) will proceed given the factors above but, even if there was such uncertainty, the confirmation of the CPO will still be justified because the case for the CPO is so very compelling.

11. HOW THE COUNCIL WILL OVERCOME ANY OBSTACLE OR PRIOR CONSENT NEEDED TO IMPLEMENT THE SCHEME

- 11.1** Section 12 of the Statement dealt with this subject.
- 11.2** As regards the need for a new planning permission for the West Site amendments, whilst the Council as local planning authority is not pre-judging the determination of the application, the analysis set out in paragraph 12.3.3 and 12.4 of the Statement still applies i.e. it is considered likely that planning permission will be granted and that planning permission is unlikely to be an impediment to the Scheme. There is policy support for PBSA within the development plan and it is considered likely that matters of detail such as the amount of affordable student accommodation will be resolved satisfactorily, similar to how they were resolved in 2019 and 2021 for the existing permissions.
- 11.3** Similarly, and again whilst the Council as local planning authority is not pre-judging the determination of any application, the East Site Phase 2 works further permission (if sought) would only be sought to address a potential, technical legal point and given that consent already exists for those works it is considered likely that it will be granted again.
- 11.4** There are no other changes to the analysis as to potential impediments set out in the Statement i.e. there are unlikely to be any impediments to the Scheme if the CPO is confirmed.

12. OVERALL JUSTIFICATION - WHETHER THERE IS A COMPELLING CASE IN THE PUBLIC INTEREST FOR THE ORDER

- 12.1** Section 16 of the Statement dealt with this aspect and the analysis therein still holds good in light of the West Site amendments (with consideration having been given to the updated analysis of adverse effects at Appendix A of the 22 July 2024 Cabinet report).
- 12.2** All the paragraphs of the Guidance are considered still to be met, including (but not limited to) the “*compelling case in the public interest*” for the use of CPO powers. The Scheme will transform the town centre. Although there are some adverse effects, it is considered that these are relatively minor and in any event need to be weighed against the very significant and numerous public benefits that will accrue from the Scheme. This is considered to be the case even in relation to the specific benefits that would be directly delivered through the exercise of powers pursuant to the confirmed Order. The Order is still necessary to unlock these benefits of the Scheme. The public benefits arising from the use of the Order powers amount to sufficiently compelling reasons for powers to be sought and outweigh the loss and any overriding of property interests to individuals and businesses arising from the Order.
- 12.3** In terms of the Guidance paragraph 12 that “*when making [a CPO] acquiring authorities...should ensure that the purposes for which the CPO is made justify interfering with the human rights of those with an interest in the land affected*”, the Council's purpose in making and promoting the Order is unchanged, i.e. to facilitate the development, redevelopment or improvement on or in relation to the Order Land,

namely the Scheme. All of the constituent elements of the Scheme previously identified are still present, and at the same quantum and quality, with the addition of the student accommodation. The evolution of the Scheme on the West Site has been driven in large part by the need to meet the new regulatory requirements and by the need to respond to the challenges that has brought in terms of loss of habitable floorspace and increased cost. The public benefits arising from the Scheme outweigh, and justify interference with, human rights and such interference is proportionate to the large level of public benefits that would arise from the Scheme, even if those benefits are limited to those directly delivered by the Order.

- 12.4** As to paragraph 13 of the Guidance that “*the acquiring authority must be able to demonstrate that there are sufficiently compelling reasons for the powers to be sought at this time...*”, there are sufficiently compelling reasons for the CPO powers to be sought at this time – whilst the new planning permission will need to be granted on the West Site, and the Council is not pre-judging the determination of the application, it is considered highly likely that such permission will be granted given the development plan allocations for the site and its planning history, and that therefore planning consent is unlikely to be an impediment. Subject to permission being granted, and the CPO being confirmed, in a reasonable timeframe, it is not considered that the West Site construction works will occur any later than previously envisaged.
- 12.5** In the Council's view, there continues to be a compelling case in the public interest to justify making and confirming the Order.

Dated XXX July 2024

Meeting Name:	Cabinet
Date:	22 July 2024
Report title:	GW1 Procurement strategy for delivery of 0-19 Community Public Health Services
Cabinet Member:	Councillor Evelyn Akoto, Cabinet Member for Health and Wellbeing
Ward(s) or groups affected:	All
Classification:	Open
Reason for lateness (if applicable):	Not applicable

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

Southwark Council is committed to providing welcoming, inclusive, and integrated services that support families and children in the borough.

Our children’s community public health services (0 – 19) help families and schools to ensure that children and young people have the best start in life. These services support us in our ambition to close the gap in health outcomes and to achieve optimal health within our borough.

We have worked closely in partnership with our local provider, Guy’s and St Thomas’ NHS Foundation Trust to provide children’s community public health services which support our children and families to achieve good levels of development. We also ensure that high-quality, inclusive support is in place to support our families, children and young people with diverse needs.

This report sets out the proposal to conduct a direct negotiation with Guy’s and St Thomas’ NHS Foundation Trust to secure future children’s community public health services following the end of their current contract.

RECOMMENDATIONS

1. That the Cabinet approve the procurement strategy for delivery of 0-19 Children’s Community Public Health services of single supplier negotiation with Guy’s and St Thomas’ NHS Foundation Trust to agree to a contract for an initial period of two years and six months from 1 October 2024 with an option to extend for two years.
2. That the Cabinet delegate the approval of the award of the contract, following the completion of the negotiation, to the Strategic Director for Children and

Adult Services, in consultation with the Cabinet Member for Health and Wellbeing.

3. That the Cabinet note that the total estimated maximum figure for the contract is £6.8M per annum, or £30.5M over the term of the contract if the option for extension is exercised.

REASONS FOR RECOMMENDATIONS

4. The reasons for the recommendations are set out within this report in paragraphs 12-18 and the approach being taken to procure these requirements is set out in paragraphs 24 - 26 of this report.

ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

5. This report considers alternative options for delivery and the reasons for these options not being taken forward as the recommended procurement strategy are further set out in paragraph 24 of this report.

POST DECISION IMPLEMENTATION

6. Once approval for the recommendations have been received, the procurement of the 0-19 Community Public Health services contract will be set out in the gateway 2 report. The timescales for the procurement processes are set out in the table at paragraph 32 of this report. The plans for the management and monitoring of the resultant contract are in paragraphs 52 – 56.

BACKGROUND INFORMATION

7. Community public health services for children and young people aged 0-19, or 25 for young people with special educational needs and disabilities, (SEND) cover provision of health visiting (from birth to under 5s) and school nursing (from age 5 to 19 or 25 for SEND) services across Southwark. These services satisfy the Council's responsibilities to deliver mandatory children's public health services. Mandated services include the provision of the health visits included in the Healthy Child Programme, and the National Child Measurement Programme (NCMP) under the Health and Social Care Act 2012.
8. The council has worked with the current provider, Guy's and St Thomas' NHS Foundation Trust (GSTT) from 2019 to 2023 to implement efficiency and improvement savings. These decisions were underpinned by the 0-19 Equality and Health analysis that demonstrated changes to the population of children and young people, as shown in paragraph 12. Please see appendix one for the full report.
9. The proposed annual contract value is based on the 2023-24 value of £6,769,053. £5,628,904 of this is allocated to the Health Visiting service and £1,140,149 is allocated to the School Nursing service. The Public Health Grant funding is not automatically uplifted, so no automatic, guaranteed uplift in

contract price will be included in the terms and conditions. It is proposed that a mechanism will be included within the contract to discuss price changes with the provider over the four and a half year contract term based on inflation and uplift guidance from national sources, where this is funded, and where an assessment of appropriateness has been made. In 2024/25 there will be a budget forecast at the start of the contract which will then be monitored quarterly.

10. Ensuring every child has the best start in life is one of the Office for Health Improvement and Disparities (OHID) key priorities. Best Start in Life is a priority within Public Health England's 5-year strategy, which runs from 2020 to 2025.
11. These services form part of the national Family Hub programme, inextricably linked to the successful delivery of the programme in acknowledgement of the significance of the first 1001 days of life and impact on longer term life outcomes.

Summary of the business case/justification for the procurement

12. The service is a statutory responsibility under the Health and Social Care Act 2012 to deliver and commission public health services for children and young people aged 0-19 years. The service will need to be provided to a population aged 0-4 of c.17,000 and a 5-19 population of c.47,000.
13. Until March 2023, the contract was part of a section 75 joint commissioning agreement with Southwark CCG (Integrated Care System) and was novated to the council from 1 April 2023. The current contract is due to end on 30 September 2024.
14. It is noted that GSTT is a partner within Partnership Southwark and the wider South East London Integrated Care System, providing a wide range of community, secondary and tertiary health services to Southwark residents.
15. The council is working closely with GSTT to adapt the services to meet the needs of the population within the context of transformational cross-partnership work that is underway and to do so within the existing financial envelope. Since 2015, there has been a reduction in the children and young people population in Southwark:
 - The under-5 population has decreased by 25%; this equates to 5,510 fewer children and currently stands at 16,362 under-5 children.
 - The 5-19 population has increased by 3.3%; this equates to 46,323 children and young aged 5-19 overall.
16. Children and young people are central to the Southwark's Health and Wellbeing Strategy. This has a focus on giving every child and young person the best start in life, alongside tackling neglect and vulnerabilities by supporting vulnerable children and young people and ensuring positive

transition. The strategy sets out these ambitions, to be considered when commissioning health and wellbeing services.

17. Improved partnership working between GSTT and the council have progressed by working towards improved data reporting and a strengthened service specification. It is key that Southwark continues to work in this way with GSTT to help address health inequalities, as GSTT are also a key stakeholder in the Family Hub and Start Well work streams.
18. GSTT has made some recent service developments to enhance the 0-19 programme and seek to address inequalities. One example is The Bright Beginnings pathway which is a specialist service for both the child (up to the age of five) and the mother focusing on areas such as significant mental health conditions, domestic abuse and alcohol and substance abuse.
19. Those older than five will have their mental health and well-being addressed through The Lancaster Model. This is an online Health Needs Assessment Tool (questionnaire) that enables children and young people the opportunity to have their health and well-being assessed and reviewed. It is a proactive tool to identify any potential problems before they progress further and allows qualified practitioners to act quickly to provide the appropriate help and support. This has been rolled out across year six and in the new school term, it will be implemented for year nine.
20. GSTT have locality-based teams structured in line with the Southwark family hubs to develop collaborative working. This will ensure that families have the best opportunities and access to services such as the Nest.

Market considerations

21. The market for provision of health visiting and school nursing (children's community public health services) in London is limited. It is dominated by NHS Foundation Trusts and NHS Hospital Trust providers. There are a very limited number of voluntary sector organisations that deliver these services.
22. Lambeth Council also commissions GSTT for the delivery of these services. Southwark Council commissioners will have regular discussions with Lambeth on areas such as service delivery specifications, monitoring and performance approaches with the provider.
23. The Provider Selection Regime (PSR) legislation that this service falls within, was introduced with an aim to make it easier for decision-makers to integrate services and enhance collaboration and includes removing the requirement for mandatory competition. This may include recommissioning established delivery partners such as an NHS Trust that are already providing high-quality services without running a competitive procurement process.

KEY ISSUES FOR CONSIDERATION

Options for procurement route including procurement approach

24. Five options have been considered for the future delivery of the 0-19 children's community public health services and are described below.

Options	Key factors for consideration
Option 1: Single supplier negotiations and direct award.	<ul style="list-style-type: none"> • Negotiation of a direct contract award for the procurement of these contracts with GSTT would enable commissioners and the provider to continue with collaboration and deliver embedded and sustainable service improvements by the start of the new contract. • The existing provider (GSTT) are deemed to be performing effectively. • Continuing to commission the current provider would support the development of well-established services. It will optimise pathways within the partnership and also support continuity of the service. • GSTT are introducing a new case record system, this is large scale cross-trust data implementation project. There are some delays to extraction of reports, however GSTT are working with the council and are providing localised reports (collated manually via excel) which are to some extent providing an insight into service delivery impact on an interim basis. Comprehensive data returns to are expected commence by July 2024.
Option 2: external procurement via competitive tender	<ul style="list-style-type: none"> • The service is currently provided by an external, NHS provider. External service provision, principally through an NHS provider, is common nationally and in London. • Market capacity - due to the nature of the tendering process and inherent difficulties with these types of services this process would require resource from both the council and the market, and is likely to result in the same outcome of award to GSTT. • Lengthy process – this would require substantial Southwark resources, which will take a year (minimum) and may require an additional extension beyond the existing contract term (September 2024).

Options	Key factors for consideration
Option 3: In-source	<ul style="list-style-type: none"> • The key factors have been drawn from reviews and discussions with a number of local authorities who have considered or made the move to in-source their health visiting and/or school nursing services. • This option would provide Southwark Council with better control over shaping what the service delivers and how the service is meeting the local need. • A London Borough Council in-sourced their service two years ago and due to the following reasons below are now going out to tender their service: <ul style="list-style-type: none"> a. large IT costs to purchase the local NHS IT system; and, b. additional pay uplifts on salaries, not covered by central NHS payments that were provided directly to NHS trust providers had a cost impact of c. £800k. • Another borough did a detailed analysis on whether to in-source their service. They concluded that they would not proceed due to the high risks with insurance indemnity required and TUPE of staff with pension arrangements. • IT and information governance complications; other LAs who have moved their 0-19 service in-house have had significant IT difficulties wherein the previous provider used a different system, and transference of records and access to the previous system has been complicated. • There is a national shortage of health and school nurses, there will be further difficulties with recruitment and retention, with NHS staff reluctant to transfer from NHS terms and conditions. Negotiations around TUPE agreements with trade unions would be necessary and may lead to additional complications around certain employment schemes e.g. NHS car lease. • The council would need to make arrangements to provide clinical governance to deliver services in-house, in larger providers these functions are often delivered across more than one service and would likely be less efficient in an in-house model. • This option would require substantial Southwark resources and would likely take a year to establish (minimum). This option would require a further six-month extension of the current contract (September 2024 to March 2025). In addition, it will take some time to develop the internal commissioner/ provider relationship.

Options	Key factors for consideration
Option 4: joint procurement approach	<ul style="list-style-type: none"> • The council could work with other boroughs to procure these services. • Working with geographical neighbouring boroughs may be able to deliver greater economies of scale working and may give greater flexibility to any provider in service planning. • Lambeth Council also commissions GSTT for the delivery of these services. Different funding levels and outcomes focus create some challenges for aligning service commissioning. • Needs of each partner may change over time requiring a different service delivery from the provider. • Timeline for internal governance processes and developing cross-partnership increases with each additional partner involved. Discussions at South East London ICB level had an aligned service specification for these services as a desirable goal, but this has not progressed significantly due to differences in borough approaches.
Option 5: decommission services	<ul style="list-style-type: none"> • Statutory duty: Local authorities have a statutory duty to provide these services. This is not a viable option.

Proposed procurement route

25. Based upon the information and details outlined in this report, the proposed procurement route is option one: single supplier negotiations and direct award.

Identified risks for the procurement

26. Commissioners will develop and monitor a risk register as part of the procurement approach. High-level risks that may impede successful delivery of this procurement and contract are below, with mitigations identified:

Risks	Risk level	Mitigations
Unable to control costs of services, or secure services at a price within the local authority budget for the services.	Medium	<ul style="list-style-type: none"> • Work with GSTT to review current spend within the financial envelope, potential to identify areas of savings. Transformational work to move to a more proactive preventative model. • Explore co-location within Family Hubs and multi-agency working opportunities. • Since 2015 there has been a reduction in the children and young people population in Southwark as mentioned in paragraph 12. Also, as mentioned in paragraph 9 there will be budget monitoring completed on a quarterly basis to improve budget transparency.

Risks	Risk level	Mitigations
Failed and or delayed negotiation	Medium	<ul style="list-style-type: none"> • Agree a decision making timeline with GSTT as soon as possible to ensure deadlines are achieved. • Review options on possible extension for the current contract.
The proposed procurement approach is met with legal challenge.	Low	<ul style="list-style-type: none"> • The council would ensure that the procurement route is compliant with the Provider Selection Regime (PSR). • Current market intelligence suggests that other London Trusts have little appetite to take over other NHS Trusts and are moving forward with working within the emerging ICS partnerships instead.
Current service quality may reduce while going through procurement/negotiation process.	Medium	<ul style="list-style-type: none"> • Ensure dedicated resource is allocated. • Work with GSTT to mitigate staff risk and feed into resource modelling. • Continue regular (monthly) contract monitoring with providers throughout to monitor key performance indicators.
Cyber Attack and data breaches	Medium	<ul style="list-style-type: none"> • EPIC (Electronic patient record system), is the main health care patients system. https://www.guysandstthomas.nhs.uk/epic/data-and-security • The recent cyber-attacks occurred on a separate system known as Synnovis system who are the pathology providers. GSTT as a precaution shut down their servers including EPIC when it became clear it was a cyber-attack. • EPIC meets all UK General Data Protection Regulations (GDPR) 2021 and Data Protection Act 2018 and conducts a number of audits on their systems.

KEY / NON KEY DECISIONS

27. This report deals with a key decision.

Policy Framework Implications

28. The Health and Social Care Act 2012 sets out local authorities' responsibility for improving the health of their local population, and the Council's statutory responsibility for delivering and commissioning public health services for children and young people aged 0-19 years. These are principally delivered through the school nursing and health visiting services.
29. An equality and health analysis was conducted for the services and is included within the background documents. The analysis found no evidence to consider any group protected by the Equality Act 2010 to be disadvantaged through the current service provision proposals.
30. The Borough Plan sets out our commitment to reduce health inequalities, in particular 'closing the gap in health inequalities that affect our Black, Asian and ethnic minority communities.' There will be quarterly monitoring and performance meetings scheduled with the provider. GSTT will report against the agreed KPIs that will demonstrate how the delivery is supporting those Black, Asian and ethnic minority families. This will allow Public Health Commissioners to analyse the data, highlight any gaps in access and provision and for GSTT to develop their service and address any inequalities raised.
31. Children and young people are central to Southwark Health and Wellbeing Board's Health and Wellbeing Strategy. This has a focus on giving every child and young person the best start in life, alongside tackling neglect and vulnerabilities by supporting vulnerable children and young people and ensuring a positive transition into adulthood. The strategy sets out these ambitions, to be considered when commissioning health and wellbeing services.

Procurement Project Plan (Key Decisions)

32.

Activity	Complete by:
Enter Gateway 1 decision on the Forward Plan	01/03/2024
DCRB Review Gateway 1	24/04/2024
CCRB Review Gateway 1	09/05/2024
CMT Review Gateway 1	04/06/2024
Brief relevant cabinet member (over £100k)	07/06/2024
Notification of forthcoming decision - Cabinet	12/07/2024
Approval of Gateway 1: Procurement strategy report	22/07/2024
Scrutiny Call-in period and notification of implementation of Gateway 1 decision	31/07/2024
Forward Plan (if Strategic Procurement)	01/08/2024

Gateway 2	
DCRB Review Gateway 2:	31/07/2024
CCRB Review Gateway 2	15/08/2024
Brief relevant cabinet member	27/08/2024
Notification of forthcoming decision	04/09/2024
Approval of Gateway 2: Contract Award Report	12/09/2024
Publish transparency notice – intent to award contract for NHS Provider Selection Regime regulations	13/09/2024
Transparency notice standstill closes for NHS Provider Selection Regime regulations	22/09/2024
End of scrutiny Call-in period and notification of implementation of Gateway 2 decision	30/09/2024
Contract award	30/09/2024
Publish amended transparency notice – confirmation of award of contract for NHS Provider Selection Regime regulations	30/09/2024
Add to Contract Register	30/09/2024
Contract start	01/10/2024
Initial contract completion date	31/03/2027
Contract completion date – (if extension exercised)	31/03/2029

TUPE/Pensions implications

33. It is anticipated that TUPE would apply if 0-19 children’s community public health services were to be delivered by a new provider. The recommended procurement strategy in this paper is for negotiation with the current provider and direct award, so it is not likely that TUPE would be required. No council staff will be affected by TUPE.

Development of the tender documentation

34. The procurement documentation for the 0-19 Children’s Community Public Health Services contract will be led by the Southwark integrated commissioning team, working closely with Southwark Public Health team.
35. All procurement documentation including the service specifications, briefs, pricing/evaluation criteria and contractual terms and conditions will be developed with consideration of previous developments in health visiting and school nursing, the Family Hubs model, feedback from stakeholders and from local residents.

36. Documentation will include a technical service specification outlining the scope and requirements of the provision to be delivered. The service specification will be developed on the premise that there will be a balance between providing enough information to enable assurance that providers will offer what is needed whilst being flexible enough to allow for negotiation and submission of responses that are compliant, innovative and demonstrate best value for money and will fully meet service needs.

Advertising the contract

37. This is not applicable as the procurement strategy is approved to enter into direct negotiations with the incumbent provider.

Evaluation

38. The requirement for robust monitoring and evaluation frameworks and price and quality considerations will be built into all procurement documents. The evaluation framework arrangements and requirements applies to the intended procurement option of single supplier negotiation.

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

Community impact statement

39. The recommendation made will avoid a gap in service provision, which would cause significant negative impact on the health and wellbeing of the borough's children young people and their families.
40. GSTT are a key stakeholder in Southwark, committed to supporting the council's Fairer Futures promises, evidencing alignment through a trust-wide commitment to a London Living Wage, net zero climate change policy and being a key employer of Southwark residents.
41. An Equality and health analysis report for the 0-19 children's Community Public Health Services Contract Variation was written and approved on 26 January 2023 and has recently been updated with the latest data sources. This document is included in the appendices. The model proposed in this contract is not significantly different to the model used for that report. If significant changes are proposed to the delivery model or outcomes sought compared to the model used for that analysis, a further equality impact assessment will be conducted in order to assess the effect and impact of the services on individuals having a protected characteristic under the Equality Act 2010.

Equalities (including socio-economic) impact statement

42. The adoption of the new specification and contract is more likely to have a net benefit especially concerning inequalities through a continuous learning and

improvement approach to identify and address any gaps or inequalities in service provision. This would be facilitated by better data collection, frequent analysis and improved oversight and assurance processes.

Health impact statement

43. The adoption of the new specification and contract is more likely to have a net benefit especially with regards to health of children (and their families), facilitated through a more tailored approach, and supported by more robust assurance and governance processes.

Climate change implications

44. The availability of high-quality 0-19 children's community public health services within the borough, promotes the use of active transport such as walking, cycling, and public transportation to attend appointments.

Social Value considerations

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

Economic considerations

46. NHS organisations, by virtue of their size and industry, set their own policies and practices with respect to employment, procurement and sustainability.
47. GSTT is ranked as one of the top NHS trusts in the country to work for by the NHS staff survey and are holders of the Investors in People Gold Standard award.

Social considerations

48. GSTT is one of the largest employers in London employing over 23,500 staff and due to its location; it is likely a major employer of Southwark residents.
49. GSTT will continue to adhere to the London Living Wage commitments.

Environmental/Sustainability considerations

50. NHS organisations, by virtue of their size and industry, set their own policies and practices with respect to employment, procurement and sustainability.
51. GSTT are committed to delivering sustainable healthcare, being one of the first trusts in the country to implement combined heat and power systems and promote green transport through their community links.

Plans for the monitoring and management of the contract

52. 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.
53. The service will be managed by the Public Health and Integrated Commissioning teams.
54. The service will report to the 0-19 Oversight Board which is a council board chaired by the Director of Public Health. The 0-19 Oversight Board holds the strategic oversight for the service and is responsible for the service risks, mitigating against these and escalating them where necessary.
55. Southwark Council commissioners are in discussion with Lambeth on how best to maximise the opportunities for collaborating to achieve the best outcomes for Southwark residents.
56. An annual performance review will be provided to DCRB and the council's Corporate Contract Review Board (CCRB) in alignment with council Contract Standing Orders.

Staffing/procurement implications

57. The procurement process will utilise current staffing resources.

Financial implications

58. The contracts can be funded from existing 0-19 children's community public health budgets within the Public Health Grant.
59. It is noted that we will need to factor in the impact of potential decisions made relating to inflationary uplifts in the future, as set out at paragraph 9, and how these are applied.
60. The contract value excluding VAT is:

	Cost excluding VAT
Annual cost – Health visiting	£5,628,904
Annual cost – School nursing	£1,140,150
Total annual cost – both services	£6,769,054
Total cost 1 October – 31 March 2027 (2.5 years)	£16,922,635

	Cost excluding VAT
Total cost 1 October – 31 March 2029 (4.5 years)	£30,460,743

Investment implications

61. There are no investment implications to consider at this stage.

Legal implications

62. Please see concurrent from the Assistant Chief Executive – Governance and Assurance.

Consultation

63. The council works with the currently commissioned services to consult and engage with the community and across the partnership on the aims and outcomes of these services through a period of 'Service specification engagement and feedback' that will be completed by the end of June 2024.

Other implications or issues

64. There are none noted.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Finance REF: [1PHAM2024-25]

65. The finance section notes the approval of the procurement strategy for delivery of Public Health 0-19 children's Community services for Southwark Council for an initial period of two years and six months from 1 October 2024 including an option to extend for two years, involving single supplier negotiation with the existing provider, Guy's and St Thomas' Trust – Evelina Children's Community Services.

66. The finance section confirms the annual contract value of £6.8m.

67. There is sufficient budget within the existing 0-19 Community Services allocation within the Public Health Grant to fund the overall contract.

Head of Procurement

68. This report seeks approval of the procurement strategy for delivery of Public Health 0-19 children's Community services for Southwark Council for an initial period of two years and six months from 1 October 2024, including an option to extend for a further period of two years, involving single supplier negotiation with the existing provider, Guy's and St Thomas' Trust, (GSTT) at an estimated annual value of £6.8m and a maximum total estimated value of £30.5m, if potential extension options are utilised.

69. The nature of the services to be procured dictates alignment with the Provider Selection Regime 2023 (the PSR) as relevant to “health care services”. In accordance with the PSR, the commissioning authority may follow a direct award process, (Direct Award Process C “where the existing provider is satisfying the existing contract and will likely satisfy the proposed new contract, and the contract is not changing considerably”) provided associated record-keeping and transparency requirements are also observed. Notwithstanding, the report is also consistent with the council’s Contract Standing Orders, (CSO) which reserve decision to approve the procurement strategy recommendation to Cabinet, and delegation of the subsequent contract award recommendation to the Strategic Director of Children and Adult Services, in consultation with the cabinet member for Health and Wellbeing, following review at DCRB and CCRB.
70. Headline risks associated with the recommended procurement strategy are contained within the table at the end of paragraph 26.
71. Intended alignment with the Fairer Future Procurement Framework (FFPF) is evidenced within the content of paragraphs 34 - 51. Paragraphs 40 - 51 specifically evidence commitment to payment of a London Living Wage, internal climate change/environmental policy, and status as a key employer of Southwark residents.
72. The proposed methodology for performance/contract monitoring is detailed within paragraphs 52 - 56. The report also confirms that an annual performance review will be provided to the relevant DCRB and CCRB in alignment with council Contract Standing Orders.
73. The Community, Equalities and Health Impact Statements are set out in paragraphs 39 - 43.
74. The Climate Change, Social Value, Economic and Environmental / Sustainability statements are set out in paragraphs 44 - 51.

Assistant Chief Executive – Governance and Assurance REF: [SB040424]

75. This report seeks approval of the procurement strategy involving single supplier negotiation with Guy’s and St Thomas’ Trust for the delivery of Public Health 0-19 Children’s Community services for an initial period of two years and six months from 1 October 2024 including an option to extend for two years.
76. The procurement of these community services is subject to the application of the Health Care Services (Provider Selection Regime) Regulations 2023 (“PSR”) which came into effect from 1 January 2024 and apply to health care services which are provided to individuals. The PSR makes it possible (using the prescribed Direct Award Process C) to continue with existing arrangements for service provision where all of the following are satisfied:

- The council is not required to follow the other prescribed direct award processes (A or B);
 - The term of an existing contract is due to expire, and the council proposes a new contract to replace the existing contract at the end of its term;
 - The proposed contracting arrangements are not changing considerably;
 - Officers are of the view that the existing provider is satisfying the existing contract and will likely satisfy the proposed contract to a sufficient standard.
77. The provision of such services is required in order to enable the council to fulfil its statutory duty to commission and deliver public health services for children and young people aged 0-19 years.
78. The procurement strategy recommended in this report is consistent with the council's Contract Standing Orders, and the report notes that the decision to approve the recommendation has been expressly delegated to the Strategic Director of Children and Adult Services, following consideration of the report by the Departmental and Corporate Contract Review Boards.
79. When making procurement decisions the decision maker will be aware of the Public Sector Equality Duty (PSED) in section 149 of the Equality Act 2010. At each stage, in exercising its function (and in its decision-making processes) the council must have due regard to the need to:
- (a) eliminate discrimination, harassment, victimisation or other prohibited conduct;
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it;
 - (c) foster good relations between person who share a relevant protected characteristic and those who do not share it.
- The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. Marriage and civil partnership are protected in relation to (a) only.
80. Paragraph 41 note that an equalities and health analysis / equalities impact assessment has previously been undertaken and recently updated. If required a further equalities impact assessment will be completed for the purpose of informing the procurement process and the development of a future service. The decision maker must be satisfied that the PSED has been complied with when considering the report's recommendations.

REASONS FOR URGENCY

81. There are none.

REASONS FOR LATENESS

82. There are none.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Gateway 0 - Public Health 0-19 Children's Community services, 18 March 2024	Public Health Directorate, Children and Adult Services, 1st Floor, 160 Tooley Street, SE1 2QH	Liz Brutus 07849 311 984
Link (please copy and paste into browser): https://moderngov.southwark.gov.uk/mglIssueHistoryHome.aspx?Id=50034152&PlanId=804&RPID=50622314		
Gateway 3 – Contract extension request for delivery of 0-19 (25 for SEND) Children's Community Public Health Services, 27 November 2023	Public Health Directorate, Children and Adult Services, 1st Floor, 160 Tooley Street, SE1 2QH	Liz Brutus 07849 311 984
Link (please copy and paste into browser): https://moderngov.southwark.gov.uk/documents/s117496/Report%20Gateway%2003%20Contract%20extension%20request%20for%20delivery%20of%200-19%2025%20for%20SEND%20Childrens%20Commun.pdf		
Gateway 3 – Variation Decision 0-19 Children's Community Public Health Services Contract Variation, 7 March 2023	Public Health Directorate, Children and Adult Services, 1st Floor, 160 Tooley Street, SE1 2QH	Liz Brutus, 07849 311 984
Link (please copy and paste into browser): https://moderngov.southwark.gov.uk/documents/s112434/Report%20GW3%200-19%20Childrens%20Community%20Public%20Health%20Services%20Contract%20Variation.pdf		
Gateway 0 - Strategic Options Assessment for service provision of Children and Young People's (0 –19) Public Health Services, 12 July 2019	Public Health Directorate, Children and Adult Services, 1st Floor, 160 Tooley Street, SE1 2QH	Liz Brutus 07849 311 984

Background Papers	Held At	Contact
Link (please copy and paste into browser): https://modern.gov.southwark.gov.uk/documents/s83981/Report%20and%20Appendices%201%20and%202%20Gateway%200%20-%20Strategic%20Options%20Assessment%20for%20service%20provision%20of%20Chi.pdf		

APPENDICES

No	Title
Appendix 1	Equality and health analysis – 0-19 Children’s Community Public Health Services Contract Variation, 7 March 2023

AUDIT TRAIL

Cabinet Member	Councillor Evelyn Akoto, Health and Wellbeing	
Lead Officer	David Quirke-Thornton, Strategic Director of Children and Adult Services	
Report Authors	Daniel Hooper, Senior Commissioning Officer Layla Glover, Senior Public Health Programme Manager Liz Brutus, Consultant in Public Health	
Version	Final	
Dated	8 July 2024	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Finance	Yes	Yes
Head of Procurement	Yes	Yes
Assistant Chief Executive – Governance and Assurance	Yes	Yes
Contract Review Boards		
Departmental Contract Review Board	Yes	Yes
Corporate Contract Review Board	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional		8 July 2024



Equality and health analysis – 0-19 Children's Community Public Health Services Contract Variation

Section 1: Equality analysis details

Proposed policy/decision/business plan to which this equality analysis relates	0-19 Children's Community Public Health Services Contract Variation
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Equality analysis author	Youssof Oskrochi, senior public health specialist				
Strategic Director:	David Quirke-Thornton				
Department	Children & Adults	Division	Public Health		
Period analysis undertaken	Q2 2022/23 (Updated June 2024)				
Date of review (if applicable)					
Sign-off	Sangeeta Leahy	Position	Director of Public Health	Date	26/01/2023 (updated June 2024)

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

2.1 Background

Since 2015, Guys and St Thomas's (GSTT) community services have provided the 0-19 children's community services for Southwark. They have operated under a section 75 agreement that Southwark holds with the South East London ICS (previously CCG).

The Council has been working with the service over the years to adapt to the needs of the changing population.

2.2 Current financial situation

The cost of the original contract was ~£7.5m, split between the health visiting (HV) at ~£6.25m and school nursing (SN) services at ~£1.27m.

The nature of the variation is a new total contract value of £6,649,364.00.

2.3 Summary needs assessment (details in Appendix 1)

A review and analysis of the population level estimates of need available (both snapshot and trend data) have allowed an assessment to be made with the following outcomes (Table 1):

1. There is very high confidence that the 0-5 population has decreased and has reduced demand and need compared to previous years.
2. There is high confidence that the 5-19 population (and therefore school nursing service) has increased demand and need levels compared to previous years.

Table 1. Summary of the evidence and judged impact on health visiting and school nursing service needs

Service	Markers suggestive of increased needs	Markers suggestive of static need	Markers suggestive of reduced need	Interpretation	Confidence
Health Visiting (0 to <5 popn)	<ul style="list-style-type: none"> Lower % of healthy weight children entering reception than London 	<ul style="list-style-type: none"> Deprivation score has improved slightly Safeguarding demands for 0-4's remained relatively static. 	<ul style="list-style-type: none"> Large reduction in 0-5 population Reduction in Looked After Children (LAC) rate Reduction in service activity Falling <18's conception rate 	Overall reduced need levels	Very high

School Nursing (5 to 19 popn)	<ul style="list-style-type: none"> • Increase in 5-19 population • Lower % of healthy weight children in Year 6 than London • Lower attainment at foundation levels than London • Higher % of Social, Emotional and Mental Health (SEMH) students than London • Increase in Free School Meals (FSM) eligibility • Higher % of students with special educational needs or disability (SEND) requirements • Increase in age 12+ safeguarding demand 	<ul style="list-style-type: none"> • Deprivation score • has improved slightly • Safeguarding demands for 5-11's remained relatively static or reduced. 	<ul style="list-style-type: none"> • Reduction in LAC rate • Improvement in youth justice figures 	Overall increased need levels	High
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2.4 Proposed impact of savings overall

Health visiting service

- Evidence of reducing 0-5 population (between 11% and 25% lower) and reduction in service activity data (12% reduction since 2018/19).
- The magnitude of the reduction in eligible population is similar to the reduction in budget (11.5%) that the service is expected to meet.
- Population level indicators also reveal a reduction in the levels of need.
- Therefore, implementing the budget savings is not expected to adversely impact the eligible.

School nursing service

- There is evidence of increasing 5-19 population and worsening need indicators; this would result in increased demand for the service.
- It is therefore likely that overall demand on the school nursing service has increased.

Section 3: Overview of service users and key stakeholders consulted

Service users and stakeholders	
Key users of the department or service	<p>Health visiting and school nursing providers – Not formally yet consulted as part of this work.</p> <p>Children and their families aged 0 to under 5 (health visiting service) – Not formally yet consulted as part of this work.</p> <p>Children and their families aged 5-19 (School nursing service) – Not formally yet consulted as part of this work.</p>
Key stakeholders were/are involved in this policy/decision	<p>Public health commissioners in Southwark Council</p> <p>Public health commissioners in London Borough of Lambeth</p> <p>Children and Adults board</p> <p>Cabinet Member</p> <p>Finance team in Southwark Council</p>

Section 4: Pre-implementation equality analysis (details in Appendix 2)

The Equality Act 2010 protects us all from discrimination or harassment because of a personal characteristic. Children and young people's health services must ensure that treatment provision supports the needs of everyone to increase equality and opportunity to all groups. The following characteristics are protected under the Act:

- Age
- Race
- Gender
- Disability
- Marital status
- Pregnancy and maternity
- Religion or belief
- Sexual orientation
- Gender reassignment

The impact of the proposed services on these characteristics has been assessed and is summarised below in Table 2.

Table 2. Summary of impacts on Equality Act 2010 protected characteristics

Protected characteristic	Impact	Explanation summary
Age	No impact	<p>It is anticipated that there is no impact as the savings will adjust the overall financial envelope to be more aligned with the reduction in child population and the associated reduction in services.</p> <p>It is unlikely that a reduction in operating budget would have any impact based on maternal age.</p> <p>It maybe that the impacts of the increased cost of living and other wider socio economic may affect the health needs of this population. This will be carefully monitored as services are re-aligned to the changing population.</p>
Race	No impact	<p>It is not anticipated that any operating budget changes will impact on this population group. Specific vulnerabilities associated with health conditions affecting Black, Asian and Ethnic minority mothers or children will be assessed and identified as part of the routine assessment for vulnerabilities.</p>
Sex	No impact	<p>It is unlikely that a reduction in operating budget would have any impact on this characteristic.</p>
Disability	No impact	<p>It is unlikely that a reduction in operating budget would have any impact on users with disabilities.</p> <p>The national specification for health visiting services accounts for disabilities within its need levels and thus it is expected that at the minimum the current status quo is maintained.</p>

		The provider should however remain vigilant and be receptive to any issues and/or approaches which may arise from service users with disabilities regarding their access to the service.
Marital status	No impact	It is unlikely that a reduction in operating budget would have any impact on users based on their marriage or civil partnership status.
Pregnancy and maternity	No impact	It is unlikely that a reduction in operating budget would have any impact on pregnant users.
Religion or belief	No impact	It is unlikely that a reduction in operating budget would have any impact on users based on their religion.
Sexual orientation	No impact	It is unlikely that a reduction in operating budget would have any impact on users based on their sexual orientation. It may be prudent, and stakeholders will need to work closely with the LGBTQ+ community to decide whether or not to collect sexual orientation data given the relatively large gay, lesbian and transgender population within Southwark and to ensure that service provision is equitable.
Gender reassignment	No impact	It is unlikely that a reduction in the operating budget would have any impact on users who are on the transitioning journey.

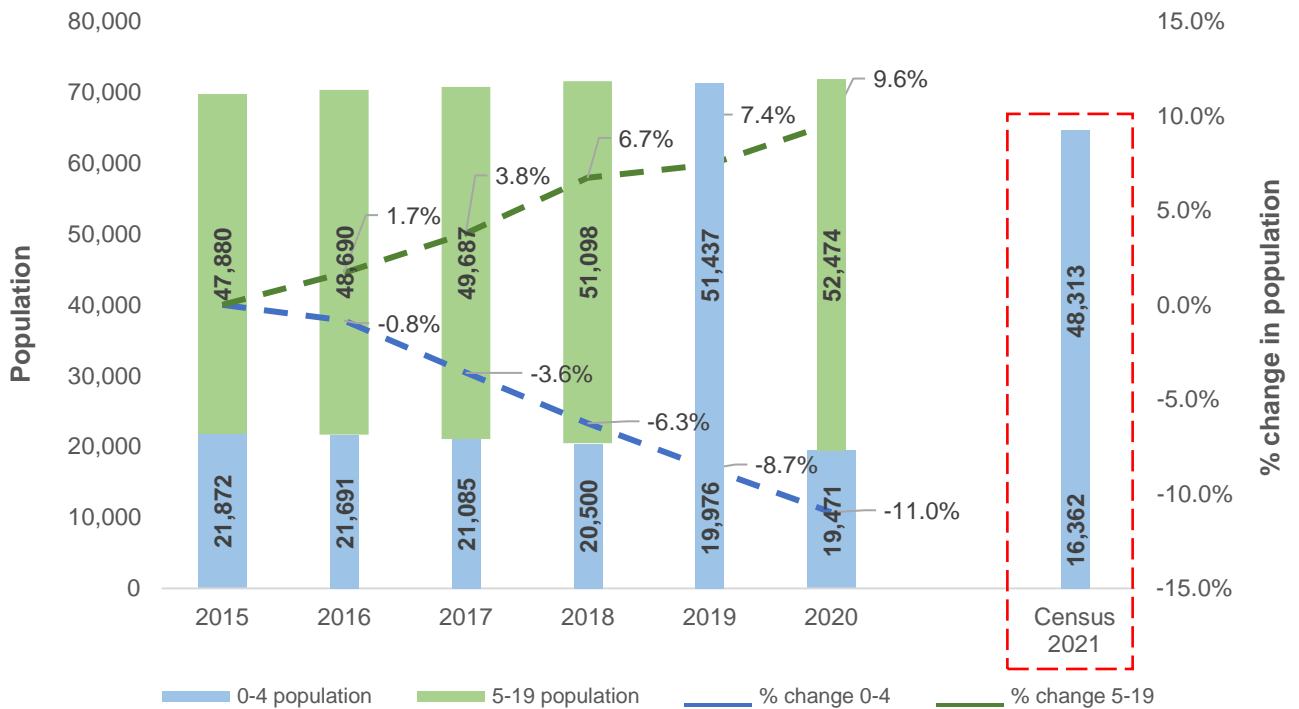
Section 5: Appendix 1: Needs Assessment 0-19

5.1 Southwark's 0-19 population

Demographics

From 2015 to 2020, the 0-19 population in Southwark has changed significantly; the 0 to 4 (including under 5's) population has decreased by 11% or 2,401 children, while the 5-19 population has increased by 9.6% or 4,594 children (Figure 1).

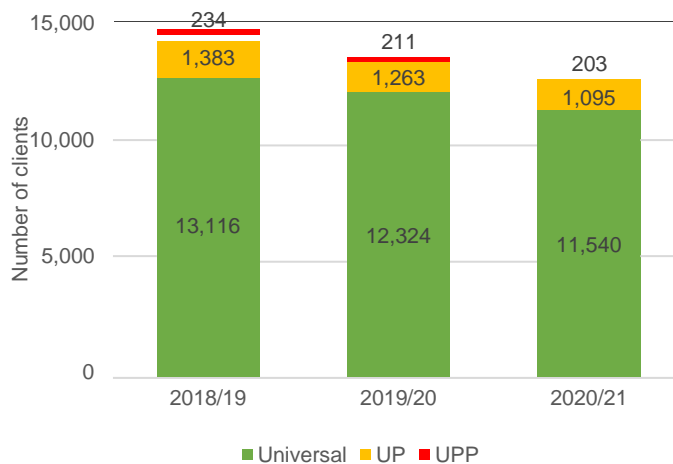
Figure 1. Southwark's 0-19 population between 2015 and 2020



It is important to note that these figures might overestimate the population size in both age groups as the Census 2021 results show a much larger 25% decrease in the 0-5 population and only a 1% increase in the 5-19 population.

Similarly, Health Visitor (HV) service data shows a reduction in activity levels by 12% between 2018/19 and 2020/21 (Figure 2).

Figure 2. Number of clients registered with the HV service 2018/19 to 2020/21



Deprivation

Southwark has seen an improvement in its' ranking relative to other local authorities since 2015, yet remains one of the most deprived in the country.

<https://www.southwark.gov.uk/health-and-wellbeing/public-health/southwark-health-data/our-population/census-and-demographics>

Southwark has one of the highest IDACI¹ indices in London², although it has seen an improvement between 2015 and 2019.

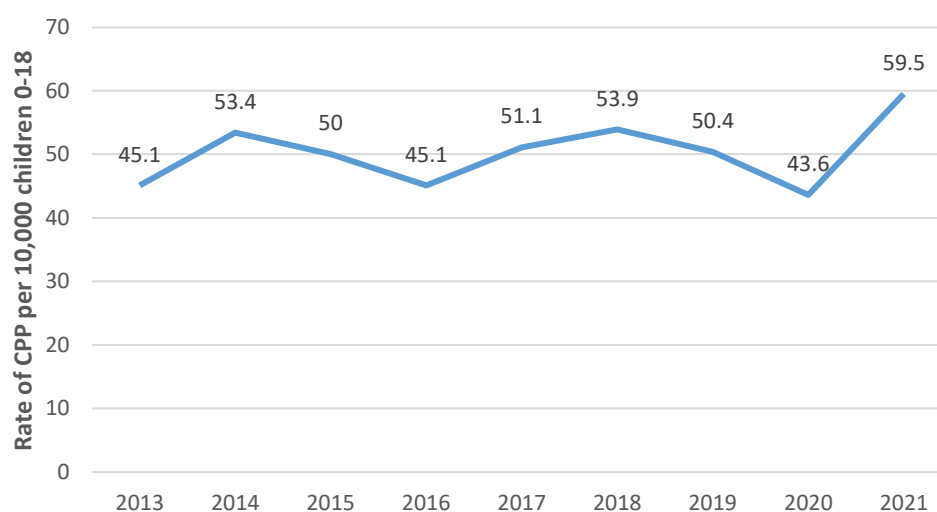
Similarly, Southwark's general index of multiple deprivation (IMD) ranking, while improved compared to other local authorities in England between 2015 and 2019, it still remains one of the most deprived boroughs in the country overall³.

Safeguarding

Since 2013, the rate of Southwark's children on Child Protection Plans (CPP) has varied between 45 and 53 per 10,000.

During the pandemic this went up to 59.5 per 10,000 for 2020/21; a 36% increase on the year before and the second highest in London (average 31 per 10,000).

Figure 3. Rates of CPP's per 10,000 children (0-18) in Southwark from 2013 to 2021



Looked after children

The rate of looked after children in Southwark has been gradually reducing since 2015 (Figure 4).

Figure 4. Rate of LAC’s per 100,000 children aged 0-18 in Southwark 2015 to 2023

Children looked after rate, per 10,000 children aged under 18 (from 2017/18 to 2022/23) for Southwark



Children looked after rate, per 10,000 children aged under 18				
Ratio per 10,000				
Period	Southwark	Minimum for All London Boroughs (excl City)	Mean for All London Boroughs (excl City)	Maximum for All London Boroughs (excl City)
2017/18	76	23	49	81
2018/19	76	26	52	89
2019/20	76	27	52	98
2020/21	75	29	51	92
2021/22	80	26	53	105
2022/23	74	26	52	90

Source:
Department for Education

Children looked after rate, per 10,000 children aged under 18 (2022/23) for All London Boroughs (excl City)

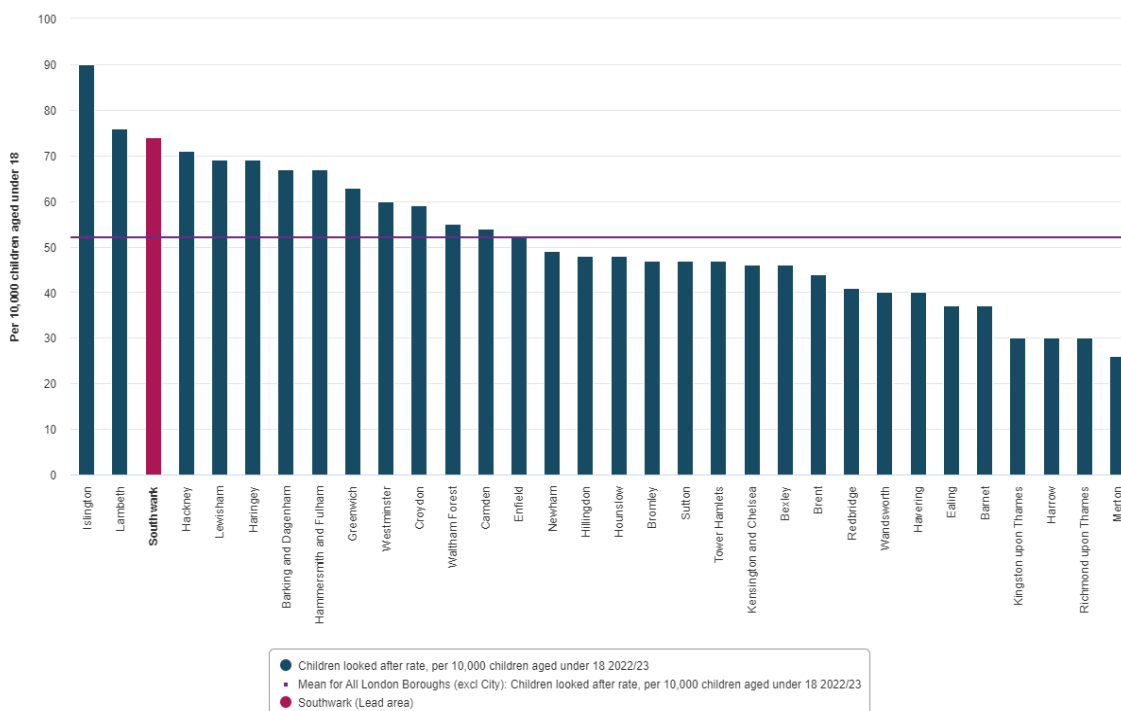


- ¹ Index of deprivation which highlights where deprivation is most affecting children
- ² [South East London CYPMH Inequalities snapshot \(healthylondon.org\)](https://www.healthylondon.org/south-east-london-cypmh-inequalities-snapshot)
- ³ Indices of Deprivation 2019. Southwark’s JSNA. Southwark Council: London. 2019.

Nevertheless, Southwark still has the fourth highest rate of looked-after children(LAC) per 10,000 children under 18 in London (Figure 5)⁴.

Figure 5. Children looked after rate, per 10,000 children aged under 18 (from 2015/16 to 2020/21)

Children looked after rate, per 10,000 children aged under 18 (2022/23) for All London Boroughs (excl City)



Source:
Department for Education

A higher proportion of LAC's in Southwark have special educational need and disability (SEND) requirements (35.1%) than the London average (32.3%)

⁴ [Children looked after rate, per 10,000 children aged under 18 in Southwark | LG Inform \(local.gov.uk\)](#)

Vaccinations

Children in Southwark generally have higher or similar vaccination coverage rates⁵ to London (Table 3).

Table 3. Vaccination rates in Southwark vs London for major childhood vaccinations

Vaccination	Age group	Data	Southwark	London
Flu vaccine	2-3 years	2022/23	38.2%	38.2%
MMR two doses	<5 year old	2022/23	82.5%	74.0%
DTaP/IPV pre-school booster	<5 year old	2022/23	89.0%	87.6%
HPV one dose (females)	12-13 year old	2022/23	52.7%	59.7%
HPV one dose (males)	12-13 year old	2022/23	56.3%	54.2%
Meningococcal ACWY	14-15 year old	2022/23	78.2%	74.0%

⁵ [Childhood Vaccinations Rates in Your Area | LG Inform \(local.gov.uk\)](#)

5.2 Needs relating to under 5's Health Visiting

Safeguarding in under 5's

Between 2019/20 and 2020/21, there was a 15.4% (475) reduction in the number of contacts and a 5.5% (47) reduction in both number of referrals and assessments made for <5's safeguarding concerns (Figure 6).

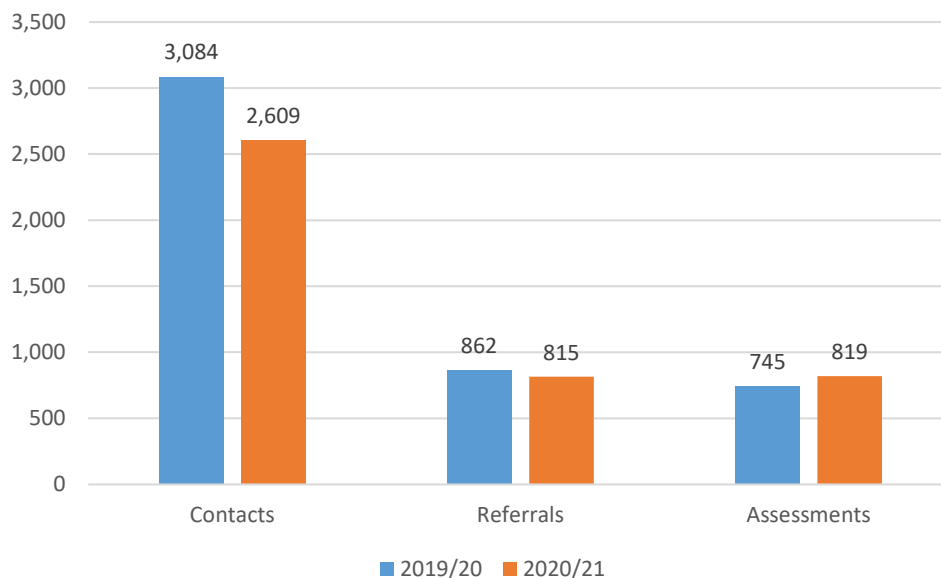
However, this was in the context of increasing rates of contacts resulting in referrals (28% in 2019/20 to 31.2% in 2020/21) and increasing rates of referrals resulting in assessments (86.4% in 2019/20 to 100% in 2020/21).

For 2020/21 the number of assessments was greater than referrals due to individuals being referred prior to birth ("unborn" classification) and then assessed once born.

Therefore, while numbers have decreased, a greater proportion of referrals are leading into the child protection plan (CPP) process.

Overall, it is anticipated that the demand on the service is likely to remain the same; fewer cases, but more likely to require entry into CPP process.

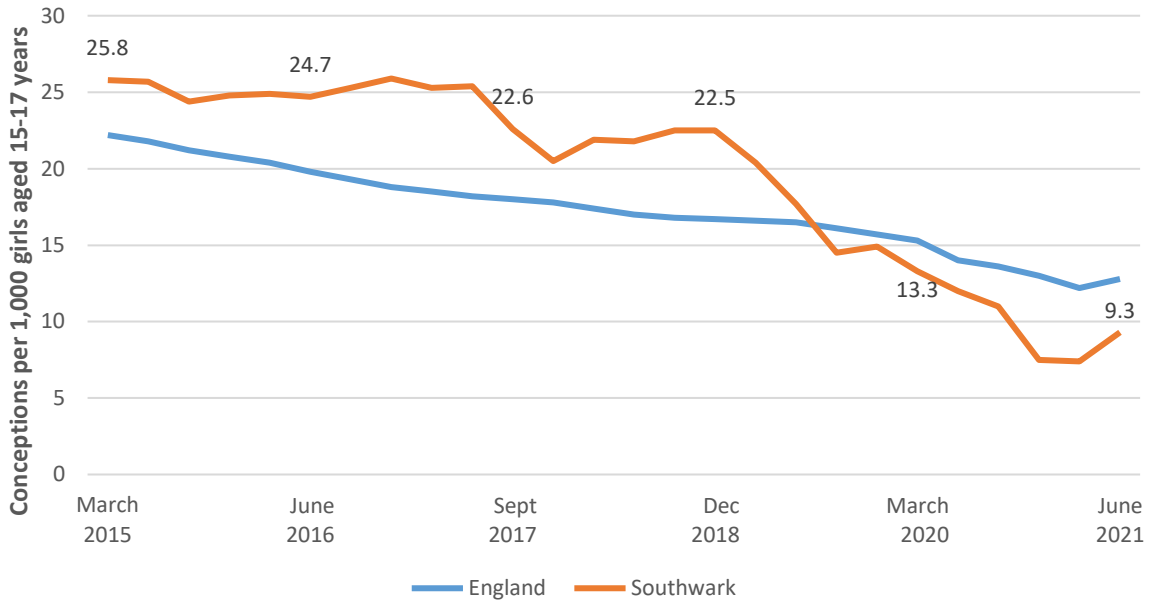
Figure 6. 0-4's safeguarding services front door activity data (2019/20 to 2020/21)



Conception in under 18's

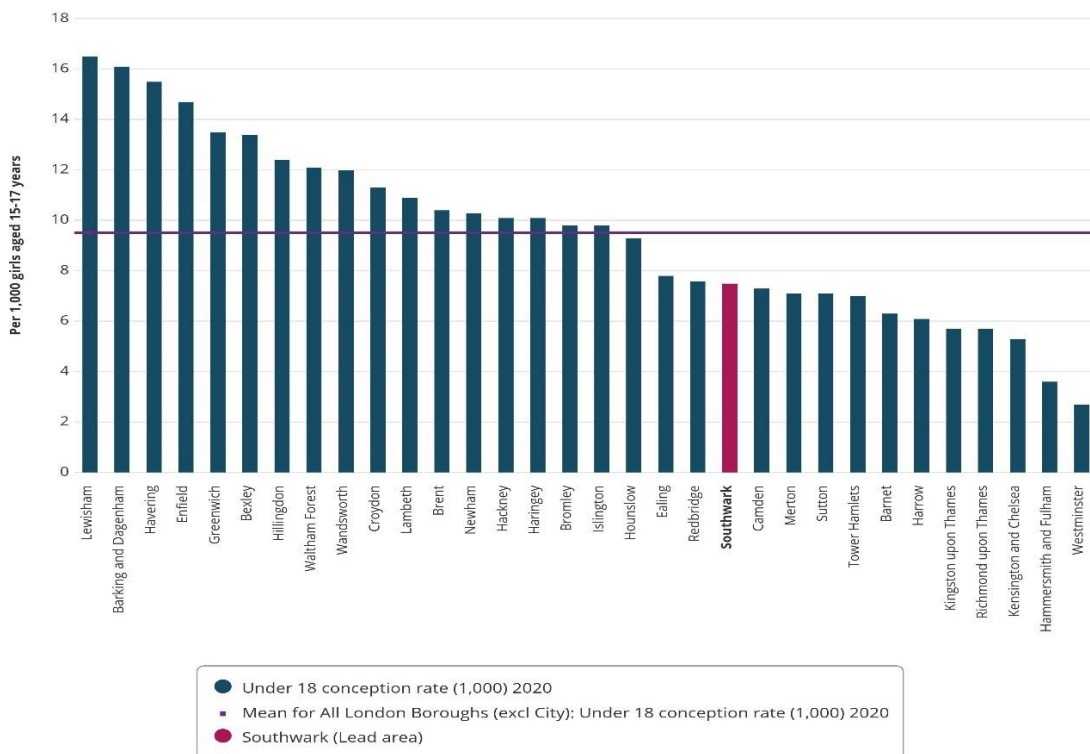
The under 18's conception rate in Southwark has reduced by 64% since 2015, standing at 9.3 conceptions per 1,000 girls aged 15-17 years (Figure 7). This reflects the national trend but Southwark has seen big improvements in recent years.

Figure 7. Conception rate per 1,000 women at ages under 18 (from 2015 to 2021) for Southwark



As a result, Southwark has one of the lowest under 18's conception rates in London and well below the London average (Figure 8).

Figure 8. Conception rate per 1,000 women at ages under 18 (from 2015 to 2020) for London



5.3 Needs relating to School Nursing

Physical, mental health and educational needs of schoolchildren

The evidence regarding needs of schoolchildren in Southwark is varied.

Between 2016/17 and 2022/23, the proportion of children at foundation stage achieving the expected level in Personal, Social and Emotional Development has decreased from 85.1% to 82.0%⁶, although this is still below the London average.

Similar improvements were seen when looking at the percentage of all children achieving at least the expected level in the prime areas of learning and in the specific areas of literacy and mathematics at foundation stage, improving from 59.6% to 74.1% and now being higher than the London average⁷.

Children in Southwark however are generally less likely to be a healthy weight; in 2022/23 only 76.6% of those in reception⁸ and 56.8% of those in Year 6⁹ were healthyweight, both below the London average. Data that is more recent is currently not available.

Southwark has one of the highest proportions of school children with social, emotional and mental health (SEMH) needs at 3%. This is higher than the London (2.6%) average and only lower than Lambeth (3.2%) and Bromley (3.2%) in South East London. Nationally there is evidence that the number of those aged 5-19 experiencing mental health problems is growing¹⁰.

In Southwark, approximately 35.8% of students were eligible for free school meals (FSM) in the 2022/23 academic year, an increase of 68.7% since 2015/16 (from 21.6% to 35.8%)¹¹.

Southwark ranks higher than the London average (25.4%) but lower than other inner London boroughs such as Islington, Camden, Hackney, Tower Hamlets, Lambeth and Westminster (Figure 9).

Eligibility for FSM is considered a proxy measure for deprivation; therefore, higher proportions for students eligible for FSM can be an indicator of increased need.

In 2020, amongst those with SEMH, approximately 45% were eligible for FSM¹².

However, children on FSM in Southwark generally do well, with over 67% achieving at least the expected level in the prime areas of learning and in the specific areas of literacy and mathematics at foundation stage (2018/19), more than the London average¹³.

⁶ [Percentage of children achieving at least the expected level in Personal, Social and Emotional Development at foundation stage in Southwark | LG Inform \(local.gov.uk\)](#)

⁷ [Percentage of all children achieving at least the expected level in the prime areas of learning and in the specific areas of literacy and mathematics at foundation stage in Southwark | LG Inform \(local.gov.uk\)](#)

⁸ [Percentage of children in reception year who are healthy weight in Southwark | LG Inform \(local.gov.uk\)](#)

⁹ [Percentage of children in year 6 who are healthy weight in Southwark | LG Inform \(local.gov.uk\)](#)

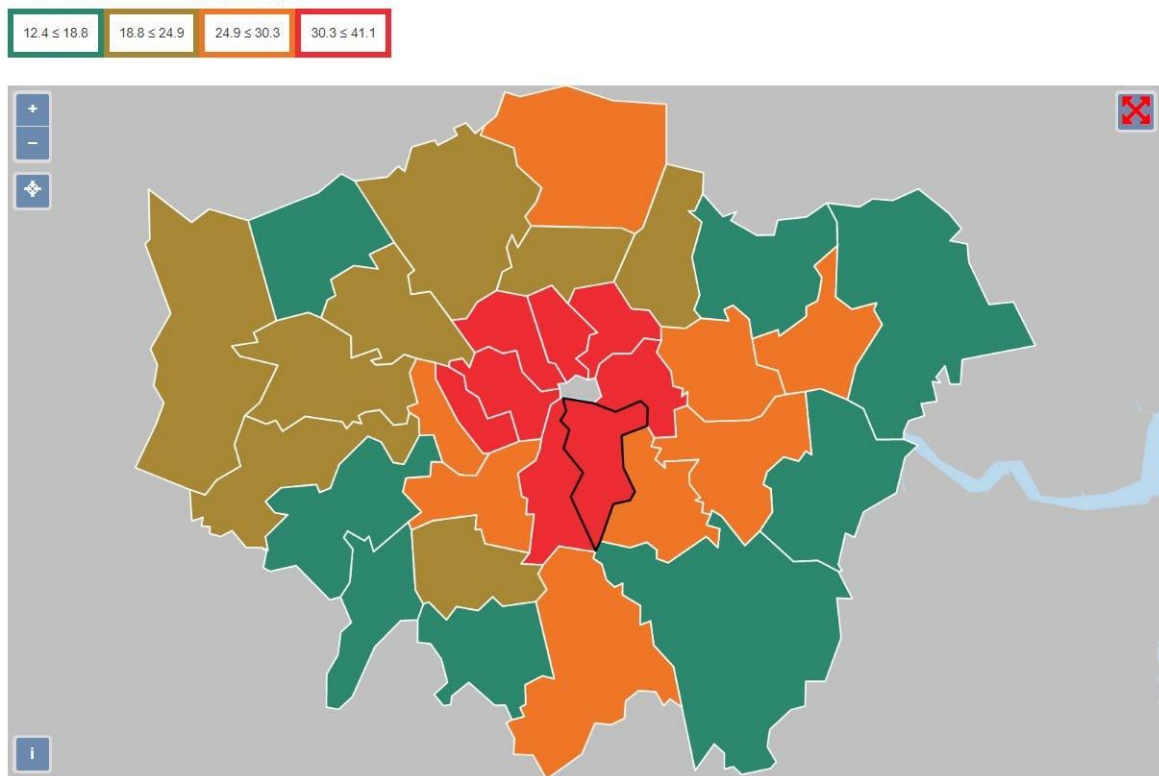
¹⁰ [Improving children and young people's mental health services - The Health Foundation](#)

¹¹ [Percentage of all pupils known to be eligible for free school meals in Southwark | LG Inform \(local.gov.uk\)](#)

¹² [CYPMH Inequalities Data Snapshot South East London \(healthylondon.org\)](#)

¹³ [Percentage of pupils with eligible for free school meals achieving at least the expected level in the prime areas of learning and in the specific areas of literacy and mathematics at foundation stage in Southwark | LG Inform \(local.gov.uk\)](#)

Figure 9. Geographic comparison of proportion of students eligible for FSM (Southwark marked)



Special Educational Needs and Disabilities (SEND)

In 2021/22, 19.1% of Southwark pupils either had a statutory plan of SEN (statement or EHC plan, total 4.6%) or were receiving SEN support (14.5%). Overall this is higher than the London average (16.9%)¹⁴.

The proportion of Southwark pupils with SEND requirements has increased since 2017/18, with students requiring a statement or EHC plan increasing by 38% (from 3.3% to 4.6%).

Pupils who are looked after children (LAC) or children in need (CIN) are highly represented within the SEND cohort.

Southwark has a higher proportion of LAC pupils with (37.6%) London average (33.1% respectively).

London average 19.4% of Children in Need are on SEN support and 33.0% have a statement of SEN or EHC plan. In Southwark, 19.2% of children in need are on SEN support and 46.7% of children in need have a statement of SEN or EHC plan.

Primary SEND needs in Southwark schools are broadly similar to those in London but with some notable differences (Table 5)

Table 5. Significant differences in the primary needs of schoolchildren in Southwark vs London (2022/23)

	More need (vs London)	Lower need (vs London)
Primary school	<ul style="list-style-type: none"> ASD (21.7% vs 15.2%) Specific learning difficulties (9.1% vs 6.9%) 	<ul style="list-style-type: none"> SALC need (37.3% vs 42.0%) SEMH needs (12.9% vs 14.8%) Moderate learning difficulties (6.4% vs 8.1%)
Secondary school	<ul style="list-style-type: none"> ASD (15.2% vs 12.9%) Other difficulty/disability (11.7% vs 5.7%) 	<ul style="list-style-type: none"> SEMH needs (20.5% vs 23.2%) SALC needs (17.0% vs 19.1%) Moderate learning difficulty (8.6% vs 12.3%)
Special schools	<ul style="list-style-type: none"> ASD (50.1% vs 42.8%) SEMH needs (9.6% vs 7.9%) Primary physical disability (4.0% vs 1.4%) Specific learning disability (3.7% vs 2.0%) 	<ul style="list-style-type: none"> Moderate learning disability (1.6% vs 8.8%) SALC needs (4.9% vs 7.5%)

ASD: autistic spectrum disorder

SALC: Speech, Language and Communication

SEMH: Social, Emotional and Mental Health

¹⁴ A statutory plan of SEN (statement or EHC plan) or are receiving SEN support, data from [Local area Special Educational Needs and Disabilities report for London Borough of Southwark | LG Inform](#)

Safeguarding in 5-11 year olds

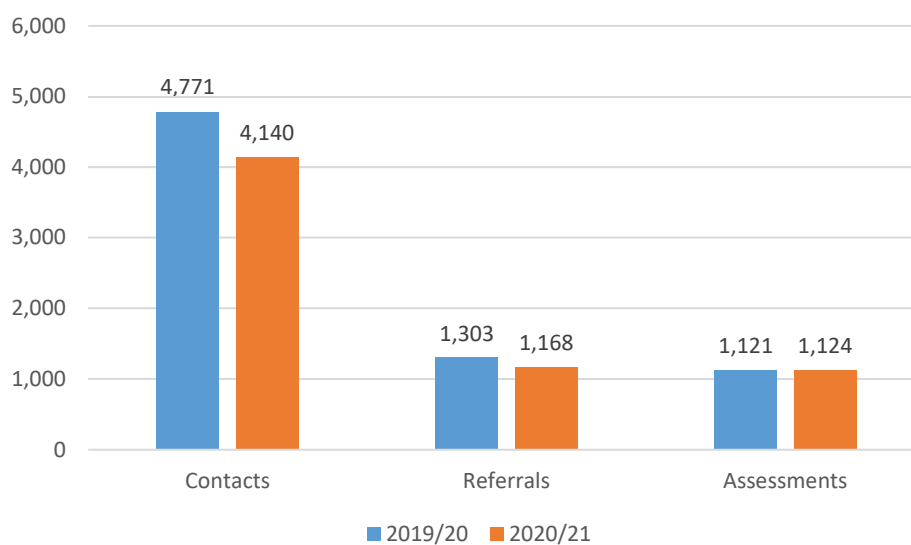
Between 2019/20 and 2020/21, there was a 13.2% (631) reduction in the number of contacts, a 10.4% (135) reduction in the number of referrals and an essentially static (0.3% increase) number of assessments made for 5-11's safeguarding concerns (Figure 10).

This was in the context of relatively static rates of contacts resulting in referrals (27.3% in 2019/20 to 28.2% in 2020/21) and increasing rates of referrals resulting in assessments (86% in 2019/20 to 96.2% in 2020/21).

Therefore, while numbers have gone down significantly and a broadly similar proportion of contacts result in referrals, of those contacts that do require referral, most reach assessment.

Overall, the demand on the service is likely to have remained either static or decreased: fewer overall numbers and similar levels requiring entry into CPP process.

Figure 10. 5-11's safeguarding services front door activity data (2019/20 to 2020/21)



Safeguarding in children aged 12+

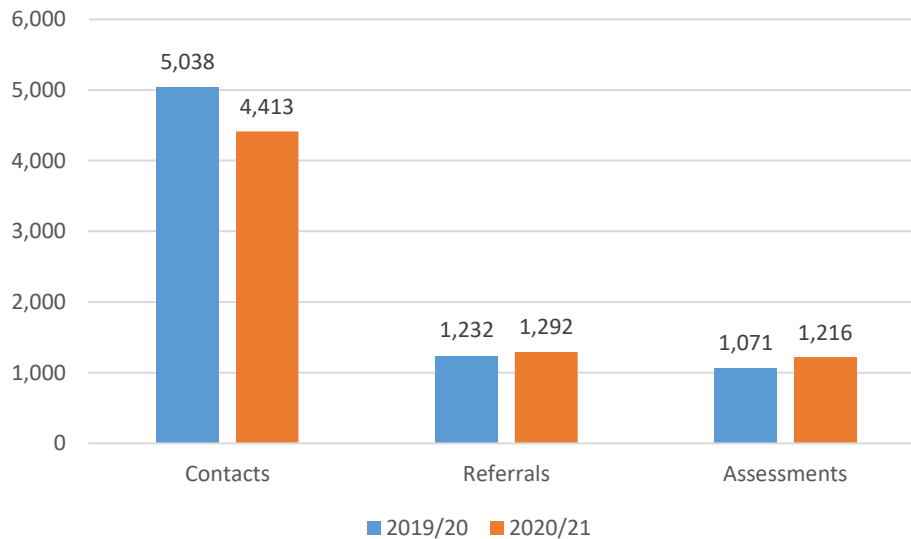
Between 2019/20 and 2020/21, there was a 12.4% (625) reduction in the number of contacts, a 4.9% (60) increase in the number of referrals and a 13.5% (145) increase in the number of assessments made for 12+ safeguarding concerns (Figure 11).

This was in the context of increasing rates of contacts resulting in referrals (24.5% in 2019/20 to 29.3% in 2020/2) and rates of referrals resulting in assessments (86.9% in 2019/20 to 94.1% in 2020/21).

Therefore numbers have increased significantly and both a larger proportion of contacts result in referrals and a larger portion of referrals require assessment (and therefore formal entry into CPP process).

Overall, the demand on the service is likely to have increased; more overall numbers and greater proportion requiring entry into CPP process.

Figure 11. 12+ safeguarding services front door activity data (2019/20 to 2020/21)



Youth justice

In 2021, Southwark generally had lower rates of youth justice incidents than other boroughs in London (Figure 12)¹⁵, although the rates of first time entrants is higher than the London average¹⁶ (Figure 13).

Figure 12. Headline youth justice figures for London (Southwark highlighted)

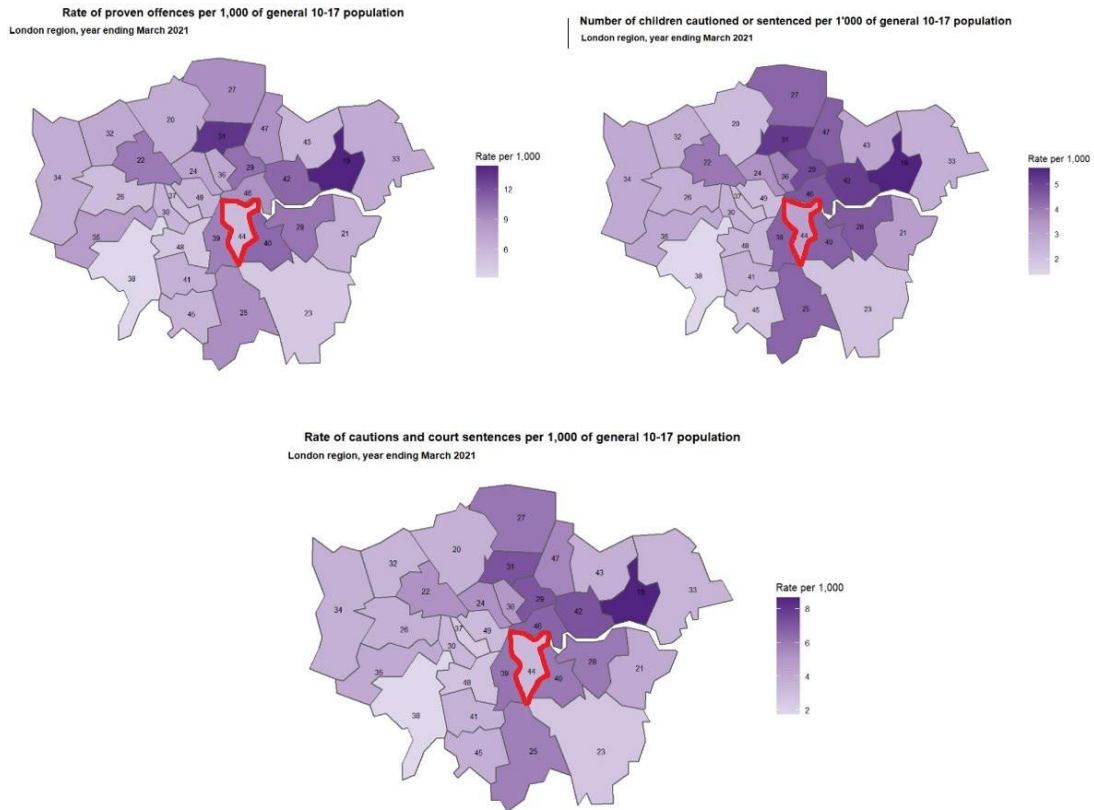
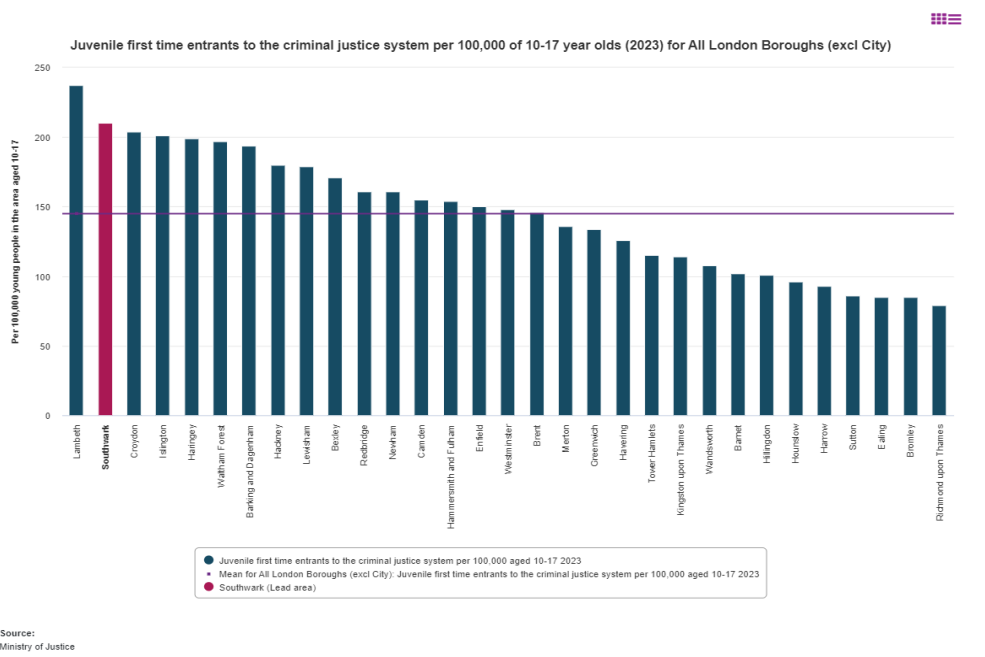


Figure 13. Juvenile first time entrants to the criminal justice system per 100,000 of 10-17 year olds (from 2010 to 2023)

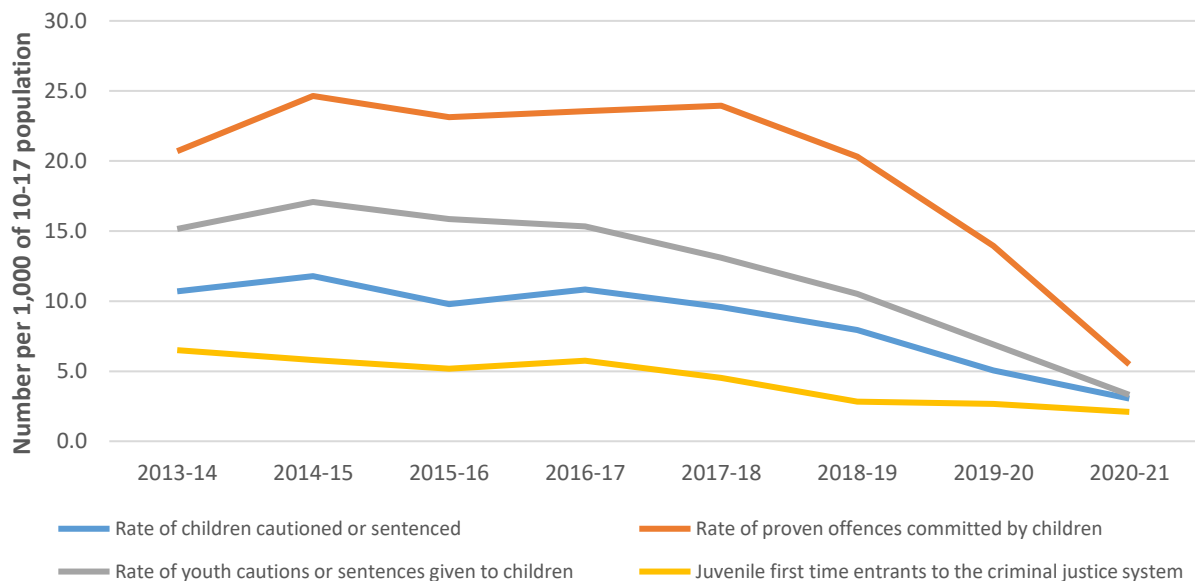


¹⁵ [Youth justice statistics: 2020 to 2021 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/youth-justice-statistics-2020-to-2021) ¹⁶ [Juvenile first time entrants to the criminal justice system per 100,000 of 10-17 year olds in Southwark | LGINform \(local.gov.uk\)](https://www.local.gov.uk/inform/youth-justice-statistics-2020-to-2021)

Since 2017/18 Southwark's youth justice statistics have improved substantially (Figure 14):

- 77% reduction in the rate of proven offences committed by children,
- 75% reduction in the rate of youth cautions or sentences given to children,
- 68% reduction in rates of children cautioned or sentenced¹⁷,
- 54% reduction in the rate of juvenile first entrants to the criminal justice system.

Figure 14. Youth justice headline figures from 2013 to 2021



¹⁷ [Youth justice statistics - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

Section 6: Appendix 2: Equality Impact Analysis – detail

Protected characteristic: Age

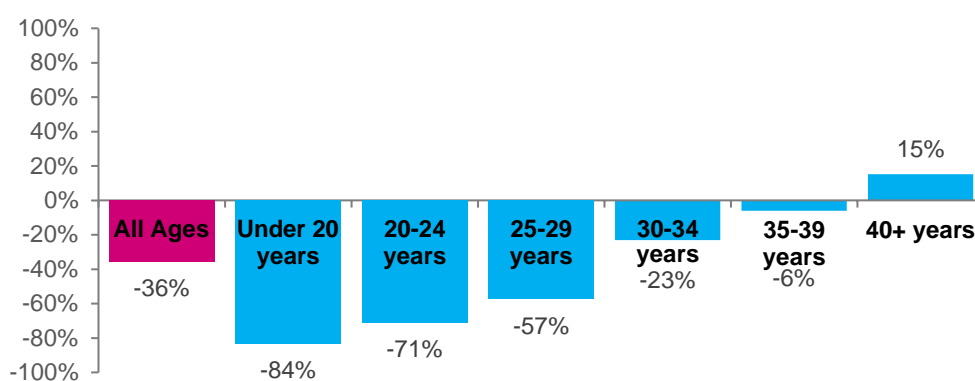
Definition: Where this is referred to, it refers to a person belonging to a particular age (e.g. 32 year olds) or range of ages (e.g. 18 - 30 year olds).

Impact assessment: No impact

Data and background

1. Since 2010, the age profile of mothers in the borough has changed, with significant reductions in births among younger women and increases among those aged 40 and over (Figure 15).

Figure 15. Percentage change in live births in Southwark by age between 2010 and 2021.

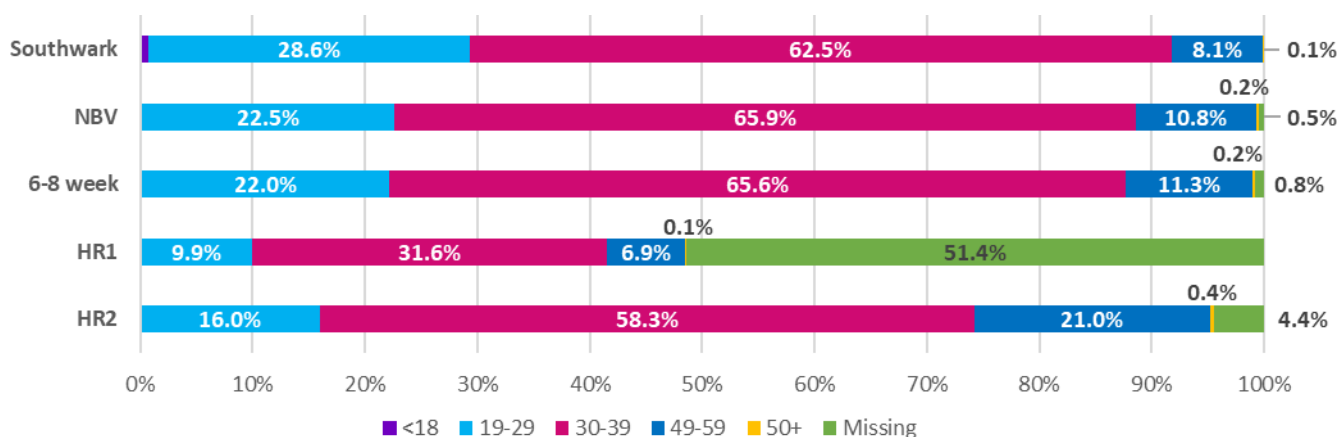


2. A review of service equity in March 2022 identified that there was a smaller proportion of young mothers (aged 19-29) enrolled in the service than would be expected for Southwark's population (Figure 16).
3. In contrast, other age groups had similar proportions enrolled in the service to that which would be expected given Southwark's population.
4. Young mothers are a particularly vulnerable group with higher rates of risk factors and fewer social supports¹⁸.
5. The same review also identified that mothers aged 19-29 were generally less likely to have completed appointments when compared to those aged 30-39.
6. The service recently decommissioned the Family Nurse Practitioner (FNP) programme, which specifically targeted mothers under 19 years old. This seems appropriate given that in 2021 only around 33 births in the borough were to mothers under 20 and this number is likely to decrease further.
7. A new pathway (Bright Beginnings) has been developed, which can be personalised to any families identified with additional support needs. This pathway is delivered by an expanded team of Early Intervention Health Visitors.

¹⁸ [Vulnerability within families headed by teen and young adult mothers investigated by child welfare services in Canada - PMC \(nih.gov\)](#)

8. Young mothers should continue to be identified and offered higher tiers of service provision owing to their increased vulnerability.

Figure 16. Maternal age comparison: Southwark and health visiting services



Assessment rationale

9. It is anticipated that there is no impact as the savings will adjust the overall financial envelop to be more aligned with the reduction in child population and the associated reduction in services.
10. It is unlikely that a reduction in operating budget would have any impact based on maternal age.
11. It maybe that the impacts of the increased cost of living and other wider socio economic may affect the health needs of this population. This will be carefully monitored as services are re-aligned to the changing population.

Protected Characteristic: Race

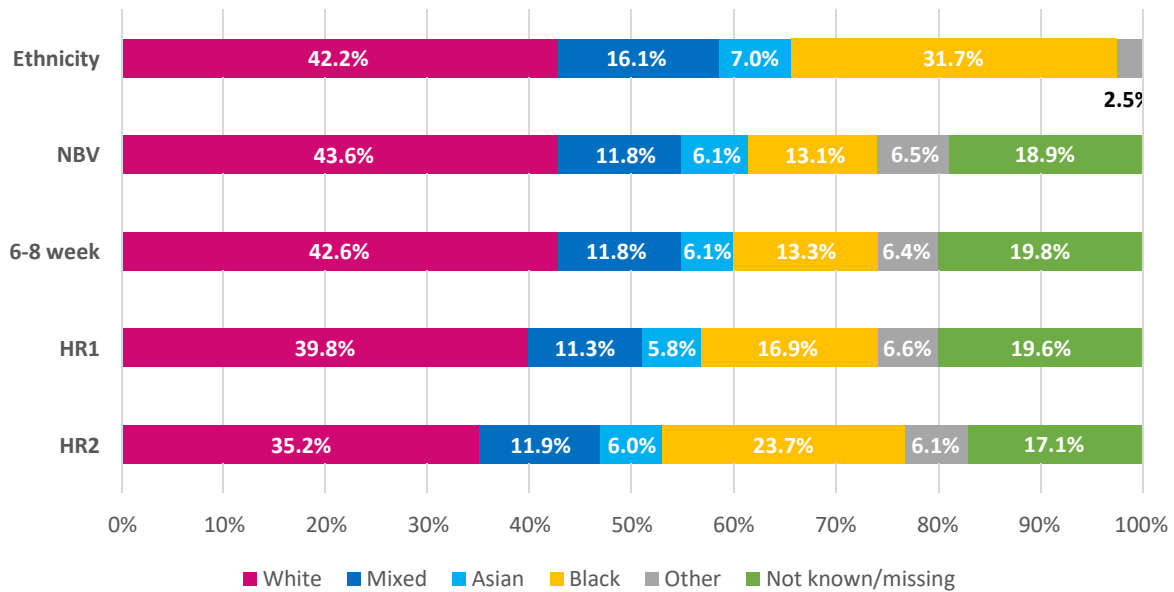
Definition: Refers to the protected characteristic of Race. It refers to a group of people defined by their race, colour, and nationality (including citizenship) ethnic or national origins. N.B. Gypsy, Roma and Traveller are recognised racial groups and their needs should be considered alongside all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

Impact assessment: No impact

Data and background

1. Southwark is an ethnically diverse borough with around 49% of its population being from Black and other ethnic minority backgrounds.
2. In 2021, the majority of births within Southwark (54%) occurred to women who were not born in the UK. The most common countries were Nigeria, Sierra Leone, USA, France and Ghana.
3. A review of service equity in March 2022 identified that there were fewer Black and “other” ethnic minority users in the overall cohort than would be expected at all appointment times compared to Southwark’s population (Figure 17).

Figure 17. Ethnicity comparison - Southwark and health visiting services



- The same review also identified that those from Black and other ethnic backgrounds were less likely to have completed appointments when compared to those from White ethnic group.
- In addition, there were data collection issues around recording of ethnicity with around 20% of clients not having ethnicity data recorded.

Assessment rationale

- It is not anticipated that any operating budget changes will impact on this population group. Specific vulnerabilities associated with health conditions affecting a BAME mother or child will be assessed and identified as part of the routine assessment for vulnerabilities.

Protected Characteristic: Sex

Definition: A man or woman **Impact**

assessment: No impactData and

background

- The 0-5 health-visiting programme is primarily aimed at mothers and their children owing to the fact that the service model begins during pregnancy and follows the mother and child from there.
- It would be expected that in a situation where the mother is no longer able to care for the child (e.g. death) and the father instead becomes the primary care giver, that the service continue to provide the same service irrespective of parental sex.

Assessment rationale

- It is unlikely that a reduction in operating budget would have any impact on this characteristic.

Protected Characteristic: Disability

Definition: 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.

Impact assessment: **No impact**

Data and background

1. The 2021 Census collected information on residents' disability status, with over 42,000 Southwark residents (14%) recording a disability. This is similar to London but slightly less than the national average of 17%.
2. The service does not currently collect direct information on the disability status of their clients and/or families.
3. Health visiting services do however stratify clients into risk groups based on criterion that include disability, therefore the number of clients at each level of need may be taken as a proxy for disability.
4. The proportion of individuals at higher need levels (UP and UPP) is approximately 10.8% of the client population and this has not materially changed in recent years, although the absolute number has reduced (Table 6).

Table 6. Proportion (and number) of HV clients by level of need per year

	Universal	UP	UPP
2018/19	89.0% (13,166)	9.4% (1,383)	1.6% (234)
2019/20	89.3% (12,324)	9.2% (1,263)	1.5% (211)
2020/21	89.9% (11,540)	8.5% (1,095)	1.6% (203)
2021/22*	88.8%	9.6%	1.6%
Average	89.3%	9.2%	1.6%

5. Whilst this is lower than the recorded disability proportion of Southwark when comparing nationally it should be noted that:
 - (a) Not all disabilities may require a higher levels of need,
 - (b) The Southwark estimate is adult population and the health visiting service also considers the disability status of the child.
 - (c) Not all clients at higher levels of need will be due to disabilities as the criteria are broad (e.g. mental health, substance misuse etc.).

6. It is therefore not possible to draw an accurate picture of the representation of those with disabilities with current figures.

Assessment rationale

7. It is unlikely that a reduction in operating budget would have any impact on users with disabilities.
8. The national specification for health visiting services accounts for disabilities within its need levels and thus it is expected that at the minimum the current status quo is maintained.
9. The provider should however remain vigilant and be receptive to any issues and/or approaches which may arise from service users with disabilities regarding their access to the service.

Protected Characteristic: Marriage or civil partnership

Definition: Someone who is legally married or in a civil partnership. Marriage and civil partnership can be either between a man and a woman, or between partners of the same sex.

Impact assessment: **No impact**

Data and background

1. Census 2021 data revealed that 27 per cent are married or in a civil partnership, compared to 44.7 per cent nationally. This has increased by a fifth(19%) since 2011.
2. The service does not currently collect information on marital status for demographic or criteria assessment purposes and it is not expected that this will change in future.

Assessment rationale

1. It is unlikely that a reduction in operating budget would have any impact on users based on their marriage or civil partnership status.

Protected Characteristic: Pregnancy and maternity

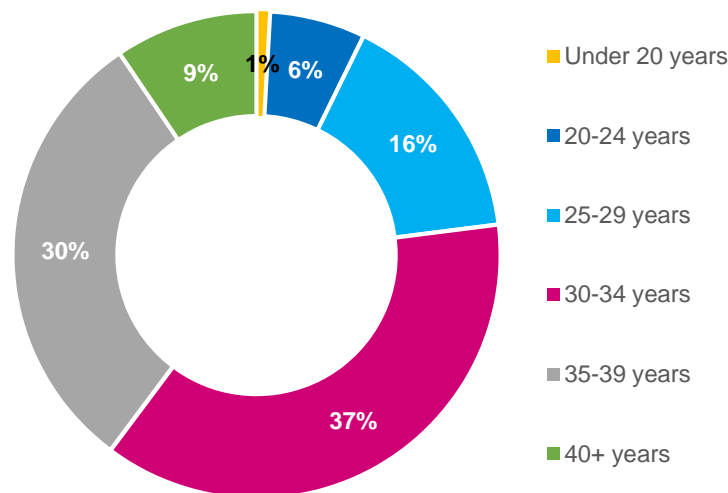
Definition: Pregnancy is the condition of being pregnant or expecting a baby. Maternity refers to the period after the birth, and is linked to maternity leave in the employment context. In the non-work context, protection against maternity discrimination is for 26 weeks after giving birth, and this includes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

Impact assessment: **No impact**

Data and background

1. In 2021, Southwark had a total fertility rate²⁰ of 1.1 children per woman. This is lower than the national average for England (1.62).
2. In 2021, Southwark had 3,372 live births, down from 5,265 in 2010, a 36% decrease.
3. In 2021, 67% of mothers giving birth in Southwark were aged 30-39 with less than 1% being under 20 (Figure 18).

Figure 18. Live births in Southwark in 2021 by maternal age



Assessment rationale

4. It is unlikely that a reduction in operating budget would have any impact on pregnant users.

²⁰ The total fertility rate in a specific year is defined as the total number of children that would be born to each woman if she were to live to the end of her child-bearing years and give birth to children in alignment with the prevailing age-specific fertility rates.

Protected Characteristic: Religion and belief

Definition: 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.

Impact assessment: **No impact**

Data and background

1. A total of 133,300 Southwark residents reported their religion to be Christian, equivalent to 43% of the population. This proportion has decreased by ten percentage points over the decade (from 53%).²¹
2. 'No religion' was the second most common reported among Southwark residents, representing over one-third (36%) of the population, substantially larger than across London (27%).²²
3. The service does not currently collect information on religion for demographic or criteria assessment purposes and it is not expected that this will change in future.

Assessment rationale

4. It is unlikely that a reduction in operating budget would have any impact on users based on their religion.

²¹ <https://www.southwark.gov.uk/health-and-wellbeing/public-health/southwark-health-data/strategies-and-reports/jsna-annual-report>

²² <https://www.southwark.gov.uk/health-and-wellbeing/public-health/southwark-health-data/strategies-and-reports/jsna-annual-report>

Protected Characteristic: Sexual orientation

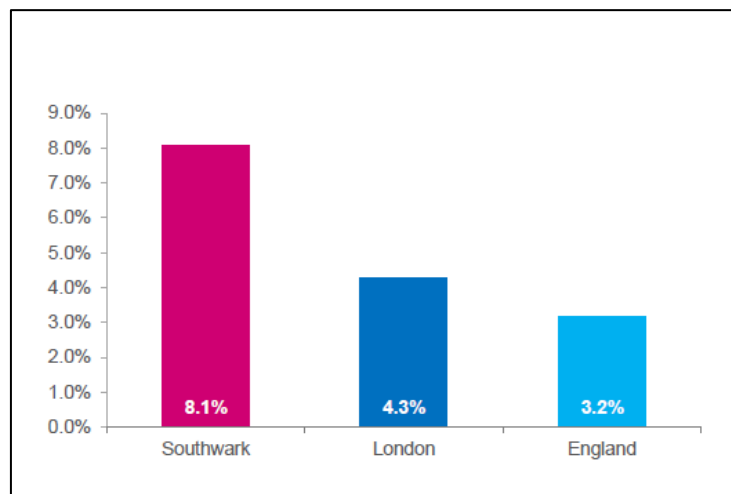
Definition: Whether a person's sexual attraction is towards their own sex, the opposite sex or to both sexes

Impact assessment: No impact

Data and background

1. In Southwark, 8% of residents (nearly 21,000 people) aged 16+ have a non-heterosexual sexual identity (Figure 19).

Figure 19. Residents identifying with a non-heterosexual sexual identity Source: ONS 2023. Census 2021 - Sexual orientation, England and Wales



2. Evidence exists which shows that even in the context of robust equity policies, intangible barriers exist which may prevent marginalised groups from effectively accessing healthcare due to bias or lack of familiarity amongst staff with particular groups²⁵.

Assessment rationale

3. It is unlikely that a reduction in operating budget would have any impact on users based on their sexual orientation.
4. It may be prudent, and stakeholders will need to work closely with the LGBTQ+ community to decide whether or not to collect sexual orientation data given the relatively large gay and lesbian population within Southwark and ensure that service provision is equitable.

²⁵ Henry von Doussa, Jennifer Power, Ruth McNair, Rhonda Brown, Margot Schofield, Amaryll Perlesz, Marian Pitts, Andrew Bickerdike, Building healthcare workers' confidence to work with same-sex parented families, *Health Promotion International*, Volume 31, Issue 2, June 2016, Pages 459–469, <https://doi.org/10.1093/heapro/dav010>

Protected Characteristic: Gender reassignment

Definition: The process of transitioning from one gender to another.

Impact assessment: **No impact**

Data and background

1. Stonewall estimates that up to 1% of the population may identify as transgender, including people who identify as non-binary.²²
2. Southwark ranked the 5th highest local authority in England for trans or non-binary identities. 3,200 residents reported a gender identity different from their sex registered at birth⁴
3. The service does not currently collect information on gender reassignment for demographic or criteria assessment purposes and it is not expected that this will change in future.

Assessment rationale

4. It is unlikely that a reduction in operating budget would have any impact on users who are on the transitioning journey.

²² [The truth about trans \(stonewall.org.uk\)](https://www.stonewall.org.uk/resources/research-and-statistics/the-truth-about-trans)

²³ Based on Southwark's ONS 2020 mid-year population estimate of 256,712.

Meeting Name:	Cabinet
Date:	22 July 2024
Report title:	Policy and Resources: Financial Remit report
Cabinet Member:	Councillor Stephanie Cryan, Equalities, Democracy and Finance
Ward(s) or groups affected:	All
Classification:	Open
Reason for lateness (if applicable):	N/a

FOREWORD - COUNCILLOR STEPHANIE CRYAN, CABINET MEMBER FOR EQUALITIES, DEMOCRACY & FINANCE

In February, Council Assembly agreed a three-year budget, which will allow us to better plan and allocate resources to meet the increasing demands on our finances. We come into the 2024-25 financial year with a balanced budget position. For 2025-26 and 2026-27, there remains a gap of £5.41m in 2025-26 and £5.38m in 2026-27.

Setting a three-year budget strategy allows us to better plan and identify savings that can be made over the longer term through transformation programmes across the whole council, rather than looking at one year savings which have tended to be more departmental based.

This report asks cabinet to approve a new general fund budget process in line with the three-year strategy and to also approve a new process for the capital programme which will help ensure that we are delivering in line with our council delivery plan commitments and the ambitions for Southwark 2030.

We continue to see the financial impact of the disastrous mini budget which means that it has become more expensive to deliver some of our capital projects, so it is right and proper that we review and reprioritise this in line with the new process and in line with key priorities across Southwark.

At the time of writing the report we do not know the outcome of the General Election, but our ask of a new Government is not a new ask, it is that we need the assurance and stability of multi-year settlements to enable us to plan our finances and resources to continue to deliver for our residents. We have already started that process in Southwark with our commitment to a three-year budget strategy, and greater certainty for our

financial settlement will enable us to deliver even more for our residents if we have the confidence of long-term funding.

RECOMMENDATIONS

Recommendations for the Cabinet

That cabinet note:

1. The three-year Medium Term Financial Strategy (MTFS) agreed by Council Assembly in February 2024
2. The new general fund revenue budget process for 2025-26
3. The new capital governance process for new capital bids
4. The focus on the financial sustainability of the housing revenue account (HRA)

REASONS FOR RECOMMENDATIONS

5. That Cabinet are kept informed of the change to the budget setting process with the introduction of a three-year budget strategy.

ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

6. N/a.

POST DECISION IMPLEMENTATION

7. N/a.

BACKGROUND INFORMATION

8. The Prime Minister, Rishi Sunak, unexpectedly announced on 23 May 2024, a general election on 4 July 2024. The Institute for Fiscal Studies (IFS)¹ commented that, whoever is in office after the general election, the fiscal environment will be heavily constrained with limited funds available. Taxes are at a record high level for the UK, but following austerity, the pandemic and the more recent cost of living crisis, public services are under significant pressure. At the same time, the electorate have endured an unprecedentedly long squeeze on living standards.
9. The new government will need to carry out a Spending Review by the end of 2024, to set out detailed plans for (at least) 2025-26. The starting point for that review will be the provisional spending totals pencilled in by the (then) Chancellor Jeremy Hunt. This equates to unprotected budgets such as local government facing real term cuts per person of up to 4% per year.

¹ IFS [Constraints and trade-offs for the next government](https://www.ifs.org.uk/publications/1254) | Institute for Fiscal Studies ([ifs.org.uk](https://www.ifs.org.uk))

10. Promised reforms to local government funding have been delayed and it was assumed that they would not be implemented before the general election, and therefore no assumptions have been made for 2025-26 and 2026-27. However, although this is unlikely to be an immediate priority for the new government, the council is likely to lose significantly as a consequence of the Business Rate Baseline Reset, so reserves have been set aside to mitigate any impact in the short term. These assumptions will be continually reviewed and updated as more information becomes available.
11. 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, the 2024-25 budget was approved by Council Assembly for the next financial year on 21 February 2024, as part of the council tax setting process.
12. In addition, the council approved a three-year budget process, to enable long term financial sustainability. This approach will enhance the council's commitment to financial planning and efficiency and ensure that the policies and priorities set out in the council delivery plan are aligned in the medium term to the projected financial resources. Through this new process, savings and commitments were established for the full three-year period, 2024-25 to 2026-27. A balanced budget for 2024-25 (as required by legislation) together with the remaining funding gaps and expected further savings required for the following two years, 2025-26 and 2026-27. The draft budgets for 2025-26 and 2026-27 have been based on a prudent estimate of local authority funding.
13. This report adds further detail to the budget process for 2025-26 and 2026-27. It is anticipated that an initial new three year budget 2025-26 to 2027-28 (a further added year) will be reported to cabinet after the Spending Review, together with any updates to the funding position of local government.

KEY ISSUES FOR CONSIDERATION

Three year budget 2024-25 to 2026-27 – the Medium Term Financial Strategy (MTFS)

14. Council assembly approved the three year budget (Table 1) in February 2024. For the current year, 2024-25, there is a balanced budget position. For 2025-26 and 2026-27, there remains a gap of £5.41m in 2025-26 and £5.38m in 2026-27, after the three year savings and commitments had been identified. The remaining savings will be met through further efficiencies and the council's transformation programme which will be agreed at the Corporate Change Board.

Table 1				
	2024-25	2025-26	2026-27	2027-28
Un-Ringfenced Government Grants	(84.5)	(79.3)	(79.3)	TBA
Revenue Support Grant	(45.0)	(45.0)	(45.0)	
Top-Up	(34.3)	(34.3)	(34.3)	
Services Grant	(0.8)	-	-	
New Homes Bonus	(4.4)	-	-	
Ringfenced Government Grants	(88.9)	(88.9)	(88.9)	TBA
Public Health Grant	(31.1)	(31.1)	(31.1)	
Social Care Grant	(33.1)	(33.1)	(33.1)	
Improved Better Care Fund (iBCF)	(17.8)	(17.8)	(17.8)	
ASC Market Sustainability & Improvement Fund	(6.9)	(6.9)	(6.9)	
TOTAL GOVERNMENT FUNDING	(173.5)	(168.2)	(168.2)	
Council Tax	(145.3)	(158.8)	(170.0)	TBA
Council tax baseline funding	(137.4)	(148.2)	(158.8)	
Council tax base growth	(3.8)	(3.0)	(3.2)	
Council tax - annual increase	(4.2)	(4.5)	(4.8)	
Council tax - Social Care precept	(2.8)	(3.0)	(3.2)	
Council tax - estimated (surplus)/deficit	2.9	-	-	
Business Rate Growth	(134.8)	(136.8)	(136.8)	TBA
Retained Business Rates	(102.8)	(102.8)	(102.8)	
S.31 Grants	(28.2)	(28.2)	(28.2)	
S.31 Grant for Business Rates Top-Up	(5.8)	(5.8)	(5.8)	
Business Rates - estimated (surplus)/deficit	1.9	-	-	
Support for deficits				
BRR - S.31 grants c/f				
COUNCIL TAX AND RETAINED BUSINESS RATES	(280.1)	(295.5)	(306.8)	TBA
Total Funding before contributions from balances	(453.6)	(463.7)	(475.0)	TBA
Contribution from earmarked reserves	(2.4)	(2.5)	-	
TOTAL RESOURCES	(456.0)	(466.2)	(475.0)	TBA
Prior Year Budget	437.3	456.0	466.2	
Inflation				
Pay Awards	9.5	10.0	6.3	
Pay Awards 22/23 unbudgeted pressure	-	-	-	
Contractual Inflation	9.8	9.0	6.3	
Contractual Inflation (Social Care & PH)	9.7	8.5	5.6	
Contractual Inflation (2022/23 unbudgeted pressure)	-	-	-	
Energy price inflation on Council Buildings	-	-	-	
Commitments & Contingency:				
Other Growth and Commitments	8.7	3.7	2.7	
Reverse one-off commitments	(0.8)	-	-	
Debt Financing (approved programme)	2.5	2.0	2.0	
Budget Before Savings & Efficiencies	476.8	489.1	489.1	TBA
Budget Gap before Savings & Efficiencies	20.8	22.9	14.1	
Savings				
Effective use of resources and efficiencies	(13.1)	(9.4)	(6.1)	
Income, Fees and Charges	(7.5)	(6.7)	(2.6)	
Other Savings	(0.2)	(1.4)	(0.1)	
TOTAL SAVINGS	(20.8)	(17.5)	(8.7)	TBA
TOTAL BUDGET	456.0	471.6	480.3	
<i>In-Year Gap</i>		5.41	5.38	
TOTAL SHORTFALL (cumulative)	-	5.41	10.79	

15. Setting a balanced budget, as resources decline and demand for services increases, becomes more challenging every year. It has required substantial efficiency savings, changing delivery methods and generating additional income, whilst protecting front line services and ensuring value for money. This has been managed through a yearly budget challenge process.
16. In preparing the three-year budget 2024-25 to 2026-27, this same process was used but departments were asked to deliver the full three-year savings and commitments. This has allowed for a longer planning horizon and has the advantage of reducing the yearly burden of finding additional savings, from a reducing budget base. The additional – and much reduced - savings yet to be found in years 2 and 3 are planned through longer term transformation projects including rationalising the council's office accommodation; streamlining processes through the introduction of a new Enterprise Resource Planning (ERP) IT system and efficiencies in the procurement of goods and services. These will be delivered corporately through a newly formed Corporate Change Board.
17. With the reduced need for a yearly 'line by line' budget analysis, the council can improve the efficiency of the process and increase capacity to focus on particular high-risk areas. In order to achieve this, there is a need to ensure savings that are embedded in the three-year plan are achieved, that high demand, high risk areas are mitigated effectively and that the long-term transformation projects are effective at delivering the required additional savings. Monitoring and mitigating these risks will be key to achieving the three-year medium-term strategy. Table 2 summarises the risks and mitigations required to manage departmental spending in the medium term.

Table 2: Potential Risks and Mitigations	
Risk	Mitigation
2024-25 budget overspends require additional savings	Close budget monitoring of high risk areas Enhanced monitoring process with emphasis on greater ownership and accountability of savings Swift mitigating actions to reduce potential overspends by year end
Savings agreed in three-year plan are no longer achievable	Departments to agree alternative/substitute savings with lead cabinet member
Unavoidable budget pressures due to contract and salary inflation	Departments will be expected to manage within the agreed budgets but corporate finance will fund both contract and salary inflation
New commitments/growth arise which have not been budgeted for	Replacement savings to be agreed to ensure overall departmental spending remains within agreed budget
Slippage in transformation projects delays required savings in 2025-26	Additional 2025-26 savings required Additional transformation savings required in 2026-27 and beyond

The Housing Revenue Account (HRA)

18. The financial sustainability of the Housing Revenue Account (HRA) will be a key priority for the council in 2025-26 and in the medium term. It is a high risk area. The 2023-24 budget monitoring reports and the outturn report have provided full details of the financial sustainability issues facing the HRA. A recovery plan has been drafted in 2 phases. Phase 1 seeks to swiftly reduce revenue spend through a range of activities in order to prevent further deterioration in the financial position. To support this, additional budget monitoring for 2025-26 has been put in place to ensure that there is an enhanced focus on the HRA budget, including a review of the HRA in November 2024 by the council's overview and scrutiny committee. Phase 2 seeks to restore HRA budgets to a sustainable level and increase reserves to a prudent level. The plan outlines the rebuilding of reserves from 2028-29.

The new capital programme bids process

19. The council undertook a full review of all capital projects and a full recalculation and re-profiling of associated funding and costs to ensure that the programme remained affordable and aligned to council priorities. An updated capital programme was reported to January 2024 cabinet.
20. Cabinet also agreed to develop a refreshed set of governance proposals to ensure that all future capital bids remain affordable and in alignment with key council principles. Appendix A details the new capital governance process.

Next Steps

21. The main governance steps to establishing the 2025-26 budget and three-year MTFS are outlined in the Table 3.

Table 3 Next Steps		
Date	Meeting	Purpose
July	Cabinet – MTFS report	High-level scene setting, for MTFS
September	Cabinet – Revenue monitoring report	Review of forecast outturn position Review of savings Mitigations
September	Cabinet – Capital monitoring report	Review of forecast outturn position Any new capital bids
November	Overview and Scrutiny committee	MTFS proposals HRA Procurement plan
December	Cabinet – MTFS report	Draft Budget 2025-26 Procurement Plan
January	Cabinet – Revenue monitoring report	Review of forecast outturn position Review of savings Mitigations
January	Cabinet – Capital monitoring report	Review of forecast outturn position Any new capital bids
January	Cabinet – HRA Budget	HRA Budget HRA rent setting
January	Overview & Scrutiny	Review of MTFS
February	Cabinet - MTFS	Recommend to Council Assembly balanced budget for 2025-26 and MTFS
	Council Assembly	Council Tax setting and approve a balanced budget for 2025-26 and agree indicative budgets for 2026-27 and 2027- 28

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

22. 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.

23. Transparency and fairness form part of the seven budget principles and are an underlying principle in the Borough Plan. 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. A budget equality analysis has been undertaken for the 2024-25 budget proposals. Any further savings or transformation savings will need to be assessed for EIA.

Climate change implications

24. None

Resource implications

25. None

Consultation

26. None

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Assistant Chief Executive – Governance and Assurance (NBC 20240703)

27. 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.
28. 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.
29. Decision makers must understand the effect of policies, practices and decisions on people with protected characteristics.
30. 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.

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

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

APPENDICES

No:	Title
Appendix A	Capital Governance Process

AUDIT TRAIL

Cabinet member	Councillor Stephanie Cryan, Equalities, Democracy and Finance	
Lead officer	Clive Palfreyman, Strategic Director of Finance	
Report author	Timothy Jones, Director of Corporate Finance	
Version	Final	
Dated	2 July 2024	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Assistant Chief Executive – Governance and Assurance	Yes	Yes
Strategic Director of Finance	N/a	N/a
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team		3 July 2024



General Fund Capital Programme Governance Arrangements

Background

Each year, council assembly agrees an annual capital strategy which provides the policy framework for the development, management and monitoring of capital investment. The strategy focuses on the core principles that underpin the council's capital programme; its short, medium and long-term objectives; the key issues and risks that will impact the delivery of the programme and the governance framework required to ensure the capital programme is delivered, providing value for money for residents of Southwark. The capital strategy aligns with the priorities set out in the Council Delivery Plan and is integrated with the medium term financial strategy.

Capital Strategy

The capital strategy sets out the core principles that underpin the capital programme which are summarised below:

Core principles

- Capital investment decisions reflect the aspirations and priorities included within the Council Delivery Plan and supporting strategies
- Schemes to be added to the capital programme will be subject to a gateway process, prioritised according to availability of resources and scheme specific funding, council priorities and commitments and factors such as legal obligations, health and safety considerations and the longer term impact on the council's financial position

- The cost of financing capital schemes, net of revenue benefits, are profiled over the lifetime of each scheme and incorporated into the annual policy and resources strategy and budget
- Commissioning and procuring for capital schemes will comply with the requirements set out in legislation, the council's constitution, financial regulations and contract standing orders.

Capital

New capital bids

- An overall funding envelope - the affordability criteria - will be determined by the estimated capital funding available, which is within a predetermined and prudent limit on borrowing
- Each capital bid will require a business case
- A newly established capital board will review the capital bids for compliance with the assessment principles and recommend those that can be funded within the pre-defined funding envelope, for cabinet approval

Variations and virements

Variations to an agreed project (already included in the capital programme) need to follow the council's gateway process. Variations that change the project due to a policy change, change in specification or an enhancement to the original programme are considered to be new capital bids.

Variations and virements that occur due to overspends and/or unforeseen costs to the original project plan are not subject to the bidding process but should be reported through the capital monitoring process to cabinet.

Capital investment decisions

The application and planning for capital expenditure obligations and objectives should be considered over short, medium and long-term time horizons. Long term forecasting is critical to informing strategic plans taking account of the sustainability and affordability of existing and planned investment, which will need to be repaid over future periods.

Capital investment plans are driven by the council delivery plan, the council's key strategic document that sets out the council's vision, ambitions, values and priorities. In the summer of 2024, the council delivery plan will be reviewed and reshaped in line with Southwark 2030, our jointly owned strategy with partners for the borough.

The plan is centred on seven separate themes:

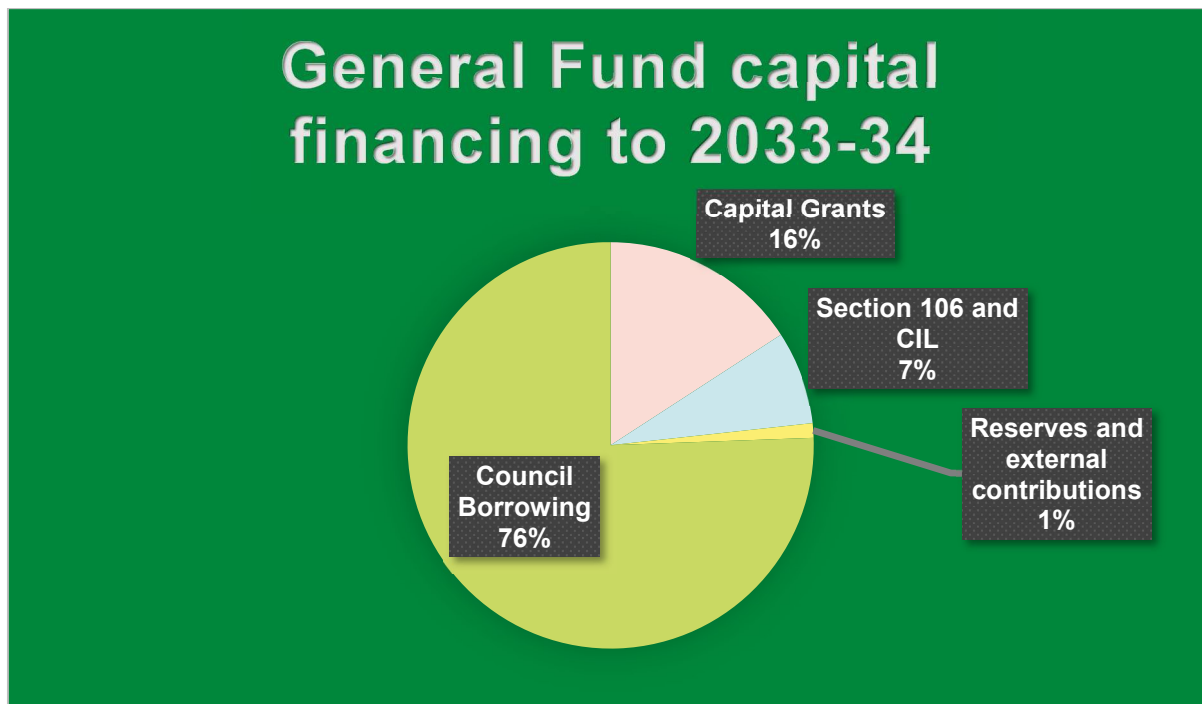
- transforming the borough
- a thriving and inclusive economy
- a healthy environment
- quality, affordable homes
- keeping residents safe
- investing in communities
- supporting families

In addition to the investment in planned projects to meet the ambitions of the council plan, there will be other capital projects that will need to be undertaken due to statutory requirements, health and safety compliance as well as the need to maintain existing assets.

Capital financing

General Fund (GF) capital projects are financed by:

- Council borrowing (76%)
- Capital Grants (16%)
- Section 106 and CIL contributions (7%)
- External contributions and capital reserves (1%)



Council borrowing is the largest source of financing the capital programme, with the cost of borrowing financed by the general fund revenue budget. To ensure that the capital programme remains affordable any new capital bids will need to comply with this capital governance process.

Under new accounting regulations (IFRS 16) any asset leased for more than one year is classed as a finance lease and therefore a form of capital expenditure. There may be cases where the procurement of assets such as buildings, vehicles or equipment for long term use where leasing maybe favoured instead of outright purchase. In these cases the same governance processes will apply for leasing of the asset

The bidding process

New capital bids from council departments will require a business case which is signed by strategic directors and the lead cabinet member. The business case will set out:-

- A brief background to the proposed project
- The reasons why the project is a council priority
- Compliance with council's procurement process
- The expected yearly capital costs
- The estimated full capital costs
- Any revenue implications arising from the project
- The length of the project to completion

A sub-group of the Corporate Management Team (CMT) will form a newly established Capital Board, which will review both the business case for each capital bid and the affordability within the agreed overall funding envelope. If the total capital bids exceed the overall funding envelope then the projects will be prioritised.

The Strategic Director of Finance, the Director of Corporate Finance, the Leader of the Council and the Lead Member for Communities, Democracy and Finance will decide on the final capital projects to be submitted for cabinet approval.

Affordability

An annual funding envelope will be set based on:-

- Prudent levels of borrowing, taking into account
 - prevailing interest rates

- affordability of financing costs to the General Fund budget
- the level of MRP chargeable to the GF
- Availability of other funding sources including;
 - Reserves
 - External Contributions
 - S.106 and CIL
 - Capital Grants

Prioritising capital projects

Schemes to be added to the capital programme will be prioritised according to availability of resources and scheme specific funding, council priorities and commitments and factors such as legal obligations, health and safety considerations and the longer term impact on the council's financial position. All proposed capital projects must comply with the requirements set out in legislation, the council's constitution, financial regulations and contract standing orders.

New capital projects will be considered on the basis of:-

- Statutory requirements
- Health and safety considerations
- Alignment to the council delivery plan and council priorities
- Maintaining current assets
- 'Invest to Save' – projects that will bring in future net revenue income to the council
- Projects where there would be a significant cost to not going ahead or significant reputational risk of not going ahead
- Funding source (impact on the council's finance)

Templates

The templates can be accessed on the Source and are appended here

- Business case template (Word)
- Business case template (Excel)

The business case template has to be signed off by the Strategic Director and this sign off provides assurance that

- the governance arrangements are in place in manage the projects;
- managers have the appropriate and up to date skills, including Continuous Professional Development (CPD) training and qualifications to manage the capital project

Timelines

The Capital Board will review the capital bids in July and October. The deadlines are set out in the table below

Activity	Responsibility	July 2024 Capital Bids	October 2024 Capital bids
Capital projects prioritised to deliver council priorities	Members	June 2024	September 2024
Business case signed by Strategic Director and lead Cabinet Member and returned to corporate finance	Department	26 June 2024	25 September 2024
Collation of capital bids and Capital Board report	Corporate finance	Monday 8 July 2024	7 October 2024
Capital Board	Capital Board	tba (15-26 July 2024)	tba (14 -25 October)
Strategic Director Briefing to Cabinet Member of capital board outcome	Department	27 August 2024	26 November 2024
Final report to cabinet (agenda planning) as appendix to capital monitoring report	Corporate Finance	3 September 2024	2 December 2024
Cabinet meeting to agree new bids	Cabinet	24 September 2024	7 January 2025

Appendices

Business case template (Word)

Business case template (Excel)

Capital Bid Business Case

2024-25

Contents

Capital Bid Business Case	1
Summary Information.....	3
Description of Proposal	4
Project Milestones.....	5
Project Risks	5
How does the project meet council objectives?	6

Summary Information

Title of Proposal	
Department	
Service Area	
Wards Affected	
Lead Member	
Strategic Director	
Responsible Officer	
Sign off by Strategic Director*	
Date signed by Strategic Director	
Date Signed off by Lead Member	
Date submitted to corporate finance	

*Sign off provides assurance that sound governance arrangements are in place and project managers have the appropriate qualifications and skills (including CPD) to manage the capital project

Description of Proposal

How does the project meet council objectives?

Objective	Sub heading	Yes/No
Compulsory	Statutory requirement	
Compulsory	Health and Safety	
Invest to Save – future revenue income	Invest to Save – future revenue income	
Maintaining current assets	Maintaining current assets	
Council delivery plan	Transforming our borough	
Council delivery plan	Thriving and inclusive economy	
Council delivery plan	Healthy environment	
Council delivery plan	Quality affordable homes	
Council delivery plan	Keeping residents safe	
Council delivery plan	Investing in our communities	
Council delivery plan	Supporting families	
Significant risk or cost to council of not going ahead		

Comments

Capital Bid Pro-forma

Project Summary

Project Title	
Estimated Lifetime Capital Cost	0.00
Estimated 4-year average Annual Revenue Cost	0.00
Directorate	
Bid Reference	

Project Finance

Profile of Capital Costs and Funding Source

	Expenditure Profile (£000s)	Funding source (£000s)							Total
		S106/CIL	Capital Grant	External Contributions	Revenue	Reserves	Borrowing	Other	
2024/25									0.00
2025/26									0.00
2026/27									0.00
2027/28									0.00
2028/29									0.00
2029/30									0.00
2030/31									0.00
2031/32									0.00
2032/33									0.00
2033/34									0.00
2034/35 +									0.00
Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Supporting documentation for funding sources (E.g S106 Release reports, Grant letters, Signed reserve release forms, etc)

EMBED SUPPORTING DOCUMENTATION HERE

Revenue Implications

	2024/25 £'000	2025/26 £'000	2026/27 £'000	2025/26 £'000	2026/27+ £'000	Total	Comments
Expenditure						0.00	
Staffing						0.00	
Running Costs						0.00	
Contract						0.00	
Other Costs						0.00	
Debt & Interest Charges (corporate finance to add) *						0.00	
Total Expenditure	0.00	0.00	0.00	0.00	0.00	0.00	
Income						0.00	
External Income (Grants & Contributions)						0.00	
Fees and Charges						0.00	
Other Income						0.00	
Total Income	0.00	0.00	0.00	0.00	0.00	0.00	
Net Revenue Cost to Council	0.00	0.00	0.00	0.00	0.00	0.00	

Meeting Name:	Cabinet
Date:	22 July 2024
Report title:	Policy and Resources: Capital Outturn Report 2023-24
Cabinet Member:	Councillor Stephanie Cryan, Equalities, Democracy and Finance
Ward(s) or groups affected:	All
Classification:	Open
Reason for lateness (if applicable):	N/a

FOREWORD - COUNCILLOR STEPHANIE CRYAN, CABINET MEMBER FOR EQUALITIES, DEMOCRACY AND FINANCE

Our capital programme continues to deliver real and tangible benefits for our residents and despite ongoing financial pressures, we continue to invest in this delivery and remain committed to its ambition and scale.

It funds large scale projects such as investment in our school buildings, parks and leisure centres as well as projects to help tackle the Climate Emergency and to meet our commitment to be net carbon neutral by 2030. The capital programme also helps fund smaller, local priorities and initiatives through our Cleaner, Greener, Safer funds and Local Community Infrastructure Levy.

Within the capital programme we have also committed to improving air quality, increasing the number of cycle hangers, as well as funding improvements in care home homes and children's homes.

However funding remains a significant issue. As reported in last year's Capital Outturn report, planned spend is considerably in excess of forecast resources, over the life of the programme. Shortfall in capital resources means that financing will be from borrowing, which will have accompanying debt charges, which will add to revenue costs.

Our greatest challenge is in the Housing Investment Programme. The impact of inflation and rising interest rates has meant that the cost of building new council

homes and costs for major works on our estates has increased. This in turn increases the need for borrowing and the impact of the cost of this on both capital and revenue within the Housing Revenue Account as meant we have had to take the decision to pause a small number of new council homes projects. We are also, for the first time, having to borrow to help finance major works whilst we implement our HRA recovery plan.

Despite this we are still delivering on our capital programme. Our commitment to Southwark 2030 gives us an opportunity to reset and reprioritise the capital programme to ensure we are delivery on the things that our residents, through extensive consultation and listening events, have told us are important to them. Ensuring that we have a capital programme that delivers on these priorities is key to shaping our borough for the next decade and beyond.

RECOMMENDATIONS

Recommendations for the Cabinet to note:

1. Notes the outturn and resources for 2023-24 and future years for both the general fund and housing investment programmes as detailed in Appendices A and C.
2. Notes the borrowing requirement of £375m 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.
3. Notes the borrowing requirement of £831m for the housing investment programme to be fully delivered over the remaining term of the programme, as detailed in Appendix C.

Recommendation for the Cabinet to approve:

4. The virements and variations to the general fund and housing investment capital programme as detailed in Appendix D.

REASONS FOR RECOMMENDATIONS

5. Cabinet is asked to note the capital outturn position for the general fund and the housing investment programme.
6. Cabinet to approve the virements and variations to the General Fund and Housing Investment Programme.

ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

7. None considered as this is a capital outturn report for 2023-24.

POST DECISION IMPLEMENTATION

8. For the approved virements and variations to be included in the capital programme.

BACKGROUND INFORMATION

9. 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.
10. 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 over the life of the programme.
11. 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 21 February 2024, the council assembly approved the refreshed 10-year general fund capital programme and housing investment programme (HIP) for the period to 2033-34. Cabinet will continue to receive regular capital monitoring reports to ensure it is fully updated and aligns with the council's key priorities.
12. The month 8 capital monitoring report was presented to cabinet in January 2024. This report presents the 2023-24 outturn position.

KEY ISSUES FOR CONSIDERATION

Programme position at outturn 2023-24

13. The capital programme is detailed within the report and appendices as follows:
 - Appendix A provides further detail on the general fund capital programme 2023-2033
 - Appendix B the accompanying departmental narratives
 - Appendix C sets out the housing investment programme for 2023-2033
 - Appendix D sets out the capital programme budget virements and variations for approval.

HOUSING INVESTMENT PROGRAMME (HIP) OUTTURN 2023-24

14. The 'Housing Investment Programme' (HIP) is the capital programme for the Housing Revenue Account (HRA). Broadly, there are two major strands; the New Build programme and the Asset Management (AM) programme. The New Build programme is the commitment to new council homes delivery. The Asset Management programme arises from the council acting as a social landlord, with legal obligations to ensure the upkeep of its council homes, to ensure they are safe, healthy and free from things that can cause harm.
15. Table 1 summarises the programme expenditure over the period 2023-24 to 2032-33. Outturn is £1.65bn, comprising of £833m for new homes, £808m for asset management and £13m for other programmes. This represents a reduction from the month 8 position which included an estimate for paused and uncommitted schemes through direct delivery. It is assumed that the next phase of delivery will be via a development partner with minimal cost to the council.

Table 1 Housing Investment Programme outturn 2023-23 to 2032-33

	Budget 2023-24	Outturn 2023-24	Variance 2023-24	Forecast 2024-25	Forecast 2025-26	Forecast 2032-33+
Asset management	108,146,808	108,744,048	597,240	108,345,885	98,951,603	807,922,473
New Build and Acquisitions	366,448,631	216,825,653	(149,622,978)	171,695,238	110,075,847	833,033,959
Other programmes	4,642,275	5,638,619	996,344	6,892,035	132,462	12,663,116
TOTAL EXPENDITURE	479,237,714	331,208,321	(148,029,393)	286,933,158	209,159,912	1,653,619,548
FUNDED BY:						
Capital Receipts	53,078,769	25,568,466	(27,510,302)	45,475,237	4,773,528	89,550,928
Major Repairs allowance	51,000,000	46,857,091	(4,142,909)	51,600,000	51,600,000	511,257,091
Reserves	-	-	-			
Revenue	20,744,775	3,222,564	(17,522,211)	-	-	3,222,564
Capital Grants and external contributions	98,139,324	17,202,835	(80,936,489)	14,591,260	12,570,675	90,939,270
Section 106 and CIL	10,000,000	46,547,438	36,547,438	10,700,703	10,000,000	127,248,141
Borrowing	232,239,946	191,809,926	(40,430,020)	164,565,958	130,215,708	831,401,554
TOTAL RESOURCES	465,202,813	331,208,321	(93,564,473)	286,933,158	209,159,912	1,653,619,548

16. The outturn spend for the Housing Investment Programme for 2023-24 was £331.2m. Of this, £216.8m relates to the new build programme, £108.7m is for asset management and £5.7m for other schemes.
17. During 2023-24, the New Build Programme completed the delivery of 605 new homes across 17 schemes, of which 488 are council homes at social rent, 57 are shared ownership and 60 for private sale. A breakdown of the schemes and budgets within the housing investment programme is included in Appendix C.

Financing the Housing Investment programme

18. The New Build Programme is financed through a range of funding sources including grants, Section 106 receipts, Right to Buy receipts and capital receipts from the sales of assets. Any shortfall is made up through prudential borrowing and the financing cost of this is charged, as a 'first call', to the Housing Revenue Account (HRA).
19. The Asset Management (AM) programme is financed through the depreciation charges levied on the HRA and through the discretionary revenue contribution to capital. However, it has been necessary to fund part of the spend in 2023-24 from borrowing (£59.2m) and it is increasingly likely that external borrowing will be needed in 2024-25 and beyond with the financing cost of this adding to the burden on the housing revenue account which may result in the slowing of the New Build programme overall.

New Build Programme

20. Like the General Fund programme, the HIP underwent a detailed review to ensure that it continues to meet the strategic policy aims of the council whilst still being affordable and sustainable. As part of this review, the new homes programme has been separated into two categories; a 'committed' and an 'uncommitted' programme.
21. The committed programme comprises those projects for which a contractual commitment exists or where the council has demonstrated a deep commitment to continue with, such as by way of a resident ballot. However, these committed projects still need constant review to ensure their continuing affordability, particularly when both borrowing costs and construction costs are rising. So, completion of these 'committed' projects remains subject to the test of affordability, as they are affected by a range of factors, including inflation, interest rates and other pressures impacting the Housing Revenue Account (HRA).
22. The uncommitted programme comprises the pipeline of projects that the council would like to pursue, but for the time being cannot be contained within the affordability envelope. The council will endeavour to introduce these to the committed programme as and when funding and affordability allow.
23. Considering rapidly increasing build and financing costs, the council took a decision in November 2023 to pause planned construction on a small number of sites across the borough, namely Bells & Lindley and Sceaux Gardens. This action significantly reduces the council's need to borrow over the next few years and goes some way towards reducing pressures on the Housing Revenue Account. Officers will continue to review proposals for these sites with a view to identifying alternative approaches to delivery that remain affordable.

24. Exposure to interest rate rises and the consequent cost of borrowing remains the key constraint on the council's New Build programme. The cost of borrowing has effectively tripled since December 2021. With effect from 15 June 2023, HM Treasury¹ introduced a new concessionary PWLB rate for Housing Revenue Accounts (HRA) borrowing. The discount margin is set at 40 basis points (i.e., 0.4%) below the rate at which local authorities usually borrow from the PWLB. While this is welcome, it has so far had limited impact in achieving its objective due to continuing underlying interest rate rises.
25. The prospect of interest rates falling significantly over the short to medium term is extremely unlikely, which needs to be considered when programming for the HIP. While interest rates are still relatively high the council will seek to minimise borrowing over and above that to which it is already committed.
26. Unfortunately, borrowing rates are near their highest level in 15 years just as the council reaches a peak in its borrowing requirement for the new homes programme. It is becoming increasingly clear that the council will need to reduce the pace of borrowing to prevent the cost of servicing the debt from exceeding available resources. This will be achieved in several ways, including by slowing down or pausing projects or by finding other sources of income including capital receipts from the sale of vacant or unproductive assets.

Asset Management (AM)

27. Recent changes in the legislative, regulatory and policy environment, have added significant costs to an already ambitious programme and without any additional funding from government. The HIP has an annual budget of £60m-£70m to undertake capital works to its stock but spend in 2023-24 was £108.7m, largely on works to ensure the stock is safe. This has left a funding gap of around £59m, which has been met from borrowing.
28. Officers are considering a range of options to reduce the gap in 2024-25 and beyond including:
 - Reducing spend on the HRA to allow more of the capital asset management programme to be funded via revenue contribution,
 - Reducing or re-profiling the existing asset management programme to bring it closer to the £70m envelope,
 - Reviewing contracts and procurements to maximise value for money,
 - Selling surplus HRA assets (e.g., a small number of long-term voids that have proved uneconomical to repair, vacant land) to generate capital receipts,
 - Prioritising health and safety works.

¹ [https://www.dmo.gov.uk/responsibilities/local-authority-lending/concessionary-rates/#:~:text=PWLB%20Concessionary%20Rates&text=From%2015%20June%202023%2C%20the,60%20basis%20points%20\(0.60%25\).](https://www.dmo.gov.uk/responsibilities/local-authority-lending/concessionary-rates/#:~:text=PWLB%20Concessionary%20Rates&text=From%2015%20June%202023%2C%20the,60%20basis%20points%20(0.60%25).)

Financing of HIP spend 2023-24

29. Resources available to the HIP were applied as follows to finance the expenditure incurred during 2023-24

Source of finance	New Build	Asset Management	Other	Total
Major Repairs Reserve & Revenue Contributions	£0	£50,079,655	£0	£50,079,655
Non RTB receipts	£24,348,425	£3,280	£0	£24,351,705
RTB receipts	£971,438	£0	£245,323	£1,216,761
Grants & external contributions	£13,141,054	£31,875	£4,029,907	£17,202,836
S106 receipts	£46,547,438	£0	£0	£46,547,438
Borrowing	£131,238,484	£58,629,238	£1,363,390	£191,809,926
Total financing	£216,825,653	£108,744,048	£5,638,620	£331,208,321

GENERAL FUND CAPITAL PROGRAMME

30. In response to the inclement financial conditions (inflation, borrowing costs), the council undertook a full review of all capital projects. The review found that whilst some costs had increased (due to construction inflation), management of projects and re-distribution of unused contingencies and project underspends meant the programme reported for month 7 could be contained within the existing funding envelope. The refreshed general fund capital programme was approved at February 2024 council assembly.
31. As noted in the January 2024 cabinet report, affordability of the general fund capital programme is dependent on grant income, 'Section 106', and Community Infrastructure Levy (CIL) receipts and capital receipts. Any shortfall is met through prudential borrowing, which incurs financing costs. The council currently has sufficient budget to afford these financing costs and provision is made through the budget-setting process to increase this amount annually to allow for growth within the programme.
32. Table 2 shows that programmed expenditure over the period 2023-24 to 2032-33 is currently £507m and that approximately £375m will be funded by borrowing. Appendix A details the departmental capital programmes and Appendix B provides the departmental narratives. Appendix D sets out the budget virements to be approved.

Table 2: General Fund Capital Programme Outturn 2023-24 to 2033-34

Department	2023/24			2024/25			2025/26+			Total Programme 2023/24-32/33		
	Revised Forecast Variance Budget			Revised Forecast Variance Budget			Revised Forecast Variance Budget			Revised Budget	Total Forecast	Total Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Children's and Adults' Services	33,189	25,783	(7,406)	44,019	58,613	14,594	26,514	19,326	(7,188)	103,722	103,722	-
Southwark Schools for the Future	327	264	(63)	1,902	1,965	63	-	-	-	2,229	2,229	-
Finance	7,119	6,619	(500)	6,383	14,221	7,838	33,051	25,713	(7,338)	46,553	46,553	-
Governance & Assurance	5,227	6,635	1,408	10,425	6,700	(3,725)	48,176	50,493	2,317	63,828	63,828	-
Environment, Neighbourhoods & Growth	64,458	54,144	(10,314)	109,938	119,086	9,148	87,307	88,472	1,166	261,703	261,703	-
Housing	2,408	2,108	(300)	3,244	3,433	189	22,919	23,030	111	28,571	28,571	-
TOTAL EXPENDITURE	112,728	95,553	(17,175)	175,911	204,018	28,107	217,967	207,034	(10,932)	506,606	506,606	-
FUNDED BY:												
Capital Receipts	88	88	-	5,700	5,700	-	29,000	29,000	-	34,788	34,788	-
Reserves	825	249	(576)	-	576	576	-	-	-	825	825	-
Revenue	-	-	-	-	-	-	-	-	-	-	-	-
Capital Grants	23,920	16,252	(7,668)	19,169	26,272	7,103	19,984	20,549	565	63,073	63,073	-
Section 106 and CIL	14,420	9,718	(4,702)	8,389	12,876	4,487	6,016	6,211	195	28,825	28,805	(20)
External Contributions	3,897	936	(2,961)	121	2,997	2,876				4,057	4,057	-
TOTAL RESOURCES	43,150	27,243	(15,907)	33,379	48,421	15,042	55,000	55,760	760	131,568	131,548	(20)
Prudential Borrowing	69,578	68,310	(1,268)	142,532	155,597	13,065	162,967	151,274	(11,692)	375,038	375,058	20

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

33. This report monitors expenditure relating to the council's capital programme. Although as an outturn 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

34. This report provides an update on the council's capital programme as a whole and includes climate change programme updates. 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.

Resource implications

35. This report is the capital outturn report which details the budgetary outcomes in 2023-24

Consultation

36. No consultation has taken place as this report details the 2023-24 capital outturn.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Assistant Chief Executive, Governance and Assurance (NBC 16.05.2024)

37. 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. The council must take necessary appropriate action to deal with any deterioration in the financial position revealed by the review. This report sets out the current situation regarding the general fund capital programme indicating that the costs can be contained within the current funding envelope. It also sets out the position regarding the housing investment programme.
38. Decisions regarding the strategic aspects of the regulation and control of the council's finances are reserved to the cabinet in accordance with Part 3B of the constitution. This part refers to the cabinet having responsibility for the "council's revenue and capital budgets, including the housing revenue account, ensuring effective financial control and the achievement of value for money, within the provisions of financial standing orders. The Financial Standing Orders require the chief finance officer to report on the overall financial position of the council and on capital expenditure incurred by the council to the cabinet on a regular basis.
39. Specific provisions for the approval of virements over £1,000,000 and up to £10,000,000 between capital projects or programme headings as set out in the overall programme approved by council assembly are reserved to cabinet in Part 3C.

40. The capital programme assists the council in complying with the 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.
41. 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.
42. Cabinet needs to take account of this duty in considering this report.
43. The community, equalities (including socio-economic) and health impacts section above indicates that whilst 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.
44. The public sector equality duty is a continuing duty and will need to be taken account of in any processes to mitigate budget pressures.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

APPENDICES

No.	Title
Appendix A	General Fund Capital Programme 2023-24 to 2032-33 Outturn
Appendix B	Departmental General Fund Narratives
Appendix C	Housing Investment Programme
Appendix D	Variations and Virements

AUDIT TRAIL

Cabinet Member	Councillor Stephanie Cryan, Equalities, Democracy and Finance	
Lead Officer	Clive Palfreyman, Strategic Director of Finance	
Report Author	Tim Jones, Director of Corporate Finance.	
Version	Final	
Dated	3 July 2024	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
	Officer Title	Comments Sought
	Comments Included	
	Assistant Chief Executive, Governance and Assurance	Yes
	Strategic Director, Finance	N/a
	Cabinet Member	Yes
	Date final report sent to Constitutional Team	3 July 2024

Appendix A - General Fund Capital Programme 2023-24 to 2032-33 Outturn

Capital Programme 2023/24 - 2033/34	2023/24				2024/25			2025/26 - 2032/33			Total Programme 2023/24-2032/33		
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, Neighbourhoods and Growth													
CIL 2021- CGS	48	35	51	3	77	74	(3)	0	0	0	125	125	0
Cleaner Greener Safer	1,900	1,064	1,890	(10)	2,363	2,286	(77)	10,790	10,877	87	15,053	15,053	0
Cycle Superhighway 4 Project	50	5	7	(43)	2,854	2,898	43	0	0	0	2,904	2,904	0
Southwark School Streets	650	(34)	472	(178)	833	751	(82)	311	571	260	1,794	1,794	0
CIL 2021- Highways	456	294	411	(45)	569	613	45	(0)	0	0	1,024	1,024	0
LIP Programme	3,881	2,110	3,264	(617)	335	952	617	0	0	0	4,216	4,216	0
Other PR Projects	858	714	714	(145)	2,624	2,810	186	307	266	(42)	3,790	3,790	0
StreetCare	7,337	3,075	7,113	(225)	7,911	7,742	(169)	23,442	23,836	394	38,690	38,690	0
Air Quality	710	39	138	(572)	856	891	35	0	537	537	1,566	1,566	0
Air Quality Action Plan & Climate Emergency Delivery Projects	266	11	73	(193)	750	750	0	0	193	193	1,016	1,016	0
CCTV	250	0	0	(250)	1,500	1,500	0	1,250	1,500	250	3,000	3,000	0
Regulatory Services	56	0	56	0	0	0	0	0	0	0	56	56	0
Carbon Reduction Investment	0	0	0	0	1,331	1,331	0	0	0	0	1,331	1,331	0
Street Metal Works	835	0	1,234	398	1,589	1,589	(0)	2,289	1,890	(398)	4,713	4,713	0
East Street market infrastructure improvements	0	0	0	0	100	100	0	0	0	0	100	100	0
New Burial at Ryedale & Scoping	50	0	0	(50)	450	450	0	3,500	3,550	50	4,000	4,000	0
Chattels Replacement	0	0	0	0	750	750	0	0	0	0	750	750	0
Youth Services	150	4	44	(106)	655	761	106	0	0	0	805	805	0
Climate Change and Sustainability	3,694	0	3,575	(119)	4,432	5,151	719	14,979	14,379	(600)	23,105	23,105	0
Culture	302	251	385	83	130	132	2	464	379	(85)	896	896	(0)
Cemetery Burial Strategy	29	0	14	(15)	2	17	15	106	106	0	137	137	0
Drinking Water Fountains throughout Southwark	0	0	0	0	20	20	0	180	180	0	200	200	0
MAQF Asthma Monitoring	0	0	0	0	59	59	0	39	39	0	97	97	0
AQ WATERWAYS	0	0	0	0	163	163	0	0	0	0	163	163	0
Food Waste Collection	0	0	0	0	1,316	1,316	0	0	0	0	1,316	1,316	0
Tree Planting	963	186	1,083	120	1,122	1,002	(120)	642	642	0	2,727	2,727	0
CIL 2021- Parks	200	0	5	(195)	951	951	0	(0)	195	195	1,151	1,151	0
Parks	6,073	3,383	4,773	(1,300)	9,541	10,745	1,204	5,997	6,093	96	21,612	21,612	0
South Dock Marina	175	100	377	202	7,150	7,194	44	1,392	1,147	(245)	8,717	8,717	0
Leisure	2,162	397	1,042	(1,120)	7,463	8,183	720	5,000	5,400	400	14,625	14,625	0
Environment, Neighbourhoods and Growth	31,096	11,900	26,719	(4,377)	57,895	61,180	3,285	70,689	71,780	1,092	159,679	159,679	(0)
Planning	1,209	266	470	(739)	937	1,676	739	0	0	0	2,146	2,146	0
Walworth Town Hall	1,091	0	33	(1,058)	0	1,058	1,058	0	0	0	1,091	1,091	0
Canada Water Leisure Centre	11,000	2,793	12,822	1,822	2,046	225	(1,822)	0	0	0	13,046	13,046	0
Blue Market Regeneration Programme	10	10	10	0	0	0	0	0	0	0	10	10	0
Revitalising the Blue	0	0	0	0	1,459	1,459	0	0	0	0	1,459	1,459	0
Riverside Walk	50	0	11	(39)	0	39	39	2,372	2,372	0	2,422	2,422	0
Regeneration North	1,880	138	1,147	(732)	4,670	5,402	732	543	543	0	7,092	7,092	0
Revitalising Camberwell	0	0	0	0	328	328	0	0	0	0	328	328	0
Peckham Rye Station Redevelopment	1,383	(717)	1,503	120	10,982	10,862	(120)	150	150	0	12,515	12,515	0
The Old Vic	0	0	0	0	3,736	3,736	0	0	0	0	3,736	3,736	0
Regeneration South	4,857	153	1,281	(3,576)	5,538	9,040	3,501	0	75	75	10,395	10,395	0
21-23 Parkhouse Street	(589)	0	0	589	3,380	2,791	(589)	0	0	0	2,791	2,791	0
Peckham Library Square	600	304	559	(41)	6,565	6,607	41	0	0	0	7,165	7,165	0
Regeneration Capital	1,109	306	539	(570)	2,203	2,773	570	2,737	2,737	0	6,049	6,049	0
Strategic Acquisitions	6	0	2	(4)	198	202	4	0	0	0	204	204	0
Property Services	2,208	233	499	(1,709)	5,200	6,909	1,709	4,800	4,800	0	12,208	12,208	0
Elephant & Castle Regeneration	8,550	3,750	8,550	0	4,800	4,800	0	6,016	6,016	0	19,366	19,366	0

Appendix A - General Fund Capital Programme 2023-24 to 2032-33 Outturn

Capital Programme 2023/24 - 2033/34	2023/24				2024/25			2025/26 - 2032/33			Total Programme 2023/24-2032/33		
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
Planning & Growth	33,363	7,235	27,425	(5,938)	52,043	57,906	5,863	16,618	16,693	75	102,024	102,024	0
Children's and Adults' Services													
Lifecycle Capital Prog- Anchor Homes	1,963	767	767	(1,196)	1,309	1,309	0	3,299	4,495	1,196	6,571.387	6,571	0
Lifecycle Capital Prog- ASC properties	661	274	274	(386)	3,031	1,000	(2,031)	1,747	4,164	2,417	5,437.900	5,438	0
Mosaic Management Information Development	500	195	195	(305)	286	286	0	0	305	305	785.677	786	0
Bed Based Care	300	14,106	14,106	13,806	3,700	1,000	(2,700)	12,000	894	(11,106)	16,000.000	16,000	0
Changing Places Toilet Programme	120	121	121	1	15	14	(1)	30	30	0	165.000	165	0
MH Supported Housing Insourc. Transition	22	4	4	(17)	0	17	17	0	0	0	21.586	22	0
Primary Schools Refurbishment Programme Retention	95	0	0	(95)	0	95	95	0	0	0	95	95	0
Primary Schools Refurbishment Programme 2020/21	395	8	8	(387)	0	387	387	0	0	0	395	395	0
Primary Schools Refurbishment Programme 2021/22	383	29	30	(353)	0	362	362	9	(0)	(9)	392	392	0
Primary Schools Refurbishment Programme 2022/23	1,987	687	748	(1,239)	0	1,269	1,269	30	(0)	(30)	2,017	2,017	0
Primary Schools Refurbishment Programme	0	0	0	0	2,505	2,505	0	2,505	2,505	0	5,009	5,009	0
Primary Schools Refurbishment Programme 2023/24	2,868	957	1,993	(874)	107	1,207	1,100	226	0	(226)	3,200	3,200	0
Autism Spectrum	0	0	0	0	900	900	0	0	0	0	900	900	0
Beormund Primary School Redevelopment	5,996	193	340	(5,656)	8,830	14,486	5,656	367	367	0	15,193	15,193	0
Ilderton Primary - Air Quality Improvements	1	0	0	(1)	0	1	1	0	0	(0)	1	1	(0)
Healthy Pupils Programme	59	59	59	0	0	0	0	0	0	0	59	59	0
Permanent Expansion	8,601	1,375	3,542	(5,059)	6,228	11,288	5,060	696	695	(0)	15,526	15,526	0
Riverside Primary School	3,933	167	747	(3,186)	2,616	5,802	3,186	182	182	0	6,730	6,730	0
Rotherhithe Primary School Expansion	1,559	396	451	(1,108)	0	1,108	1,108	0	(0)	(0)	1,559	1,559	0
SEND and Disabilities Development	1,669	481	676	(993)	8,482	9,475	993	5,659	5,659	0	15,811	15,811	(0)
Southwark Inclusive Learning Service KS4	0	0	0	0	3,200	3,200	0	0	0	0	3,200	3,200	0
Childrens Homes	1,813	730	1,720	(93)	2,145	2,238	93	30	30	0	3,988	3,988	0
School Retention	0	0	0	0	666	666	0	0	0	0	666	666	0
Children's and Adults' Services Total	32,924	20,550	25,783	(7,141)	44,019	58,613	14,595	26,779	19,325	(7,454)	103,721	103,722	0
Southwark Schools for the Future													
KS3 SILS	327	0	264	(63)	0	63	63	0	0	0	327	327	(0)
Contingency and retention payments	0	0	0	0	1,902	1,902	0	0	0	0	1,902	1,902	0
Southwark Schools for the Future Total	327	0	264	(63)	1,902	1,965	63	0	0	0	2,229	2,229	(0)
Housing													
Gypsy and Travellers Site Fire Safety Reconfiguration	266	0	0	(266)	202	468	266	0	0	0	468	468	0
Housing Renewal	2,142	965	2,108	(34)	3,042	2,965	(77)	22,920	23,030	111	28,103	28,103	0
Housing Total	2,408	965	2,108	(301)	3,244	3,433	190	22,920	23,030	111	28,571	28,571	0
Finance													
IT Investment Schemes	5,733	0	5,733	0	0	0	0	0	0	0	5,733	5,733	0
Smart Working Programme	518	0	518	(0)	0	0	0	0	0	0	518	518	(0)
Public Switched Telephone Network (PSTN) Digitalisation	368	0	368	0	2,171	2,171	0	1,051	1,051	0	3,590	3,590	0
Laptop Refresh	500	0	0	(500)	2,212	10,050	7,838	16,000	8,662	(7,338)	18,712	18,712	0
Digital Strategy	0	0	0	0	2,000	2,000	0	16,000	16,000	0	18,000	18,000	0
Finance Total	7,119	0	6,619	(500)	6,383	14,221	7,838	33,051	25,712	(7,338)	46,553	46,553	(0)

Appendix A - General Fund Capital Programme 2023-24 to 2032-33 Outturn

Capital Programme 2023/24 - 2033/34	2023/24				2024/25			2025/26 - 2032/33			Total Programme 2023/24-2032/33		
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
Governance & Assurance													
PPM & Compliance Programme (CRP)	350	0	422	72	1,400	400	(1,000)	15,565	16,493	928	17,315	17,315	0
Operational Buildings Life Cycle Investment	4,877	0	6,213	1,336	9,025	6,300	(2,725)	32,610	34,000	1,389	46,512	46,512	0
Governance & Assurance Total	5,227	0	6,635	1,408	10,425	6,700	(3,725)	48,176	50,493	2,317	63,828	63,828	0
Capital Programme 2023/24-2032/33	Total General Fund Programme												
	2023/24				2024/25			2025/26- 2033/34			Total Programme 2023/24-2033/34		
	Revised Budget	Spend to date	Forecast	Variance	Revised Budget	Forecast	Variance	Revised Budget	Forecast	Variance	Revised Budget	Forecast	Variance
	£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Total Expenditure	112,463	40,650	95,552	(16,911)	175,910	204,019	28,109	218,231	207,034	(11,198)	506,604	506,605	0
Total Resources	43,150	0	27,243	(15,907)	33,379	48,421	15,042	55,039	55,884	845	131,568	131,548	(20)
Forecast variation (under)/over.	69,313	40,650	68,309	(1,004)	142,531	155,598	13,067	163,192	151,150	(12,043)	375,036	375,057	20
Cumulative position					211,844	223,907	12,063	375,036	375,057	20	375,036	375,057	20

APPENDIX B**DEPARTMENTAL NARRATIVES****Environment Neighbourhoods and Growth**

1. The total value of the capital programme for the department is currently £159.7m for the 10 year programme (after allowing for cabinet approved budget increases and the movement to and from the department). The actual 2023-24 outturn position is £26.7m (86%) against the revised budget of £31.1m. This represents a £4.4m (14%) slippage across the department. See more details in the directorate sections below.
2. A new capital programme review board is being established in the department and this will ensure any projects delivery bottlenecks are tackled and progress monitored closely. The progress of some of the major programmes by division are detailed below:-

Climate Change & Sustainability Division

3. The actual 2023-24 outturn is £3.6m against the revised budget of £3.7m.
4. Cabinet agreed an additional £25m capital budget to enable the council to do more, faster, to reduce carbon emissions. £23m of the £25m has been allocated to strategic projects that meet our carbon reduction ambition as set out in the council's Climate Action Plan. £1m of this funding has also been allocated to ensure the borough becomes more resilient to the impacts of a changing climate, following the adoption of the council's first Climate Resilience & Adaptation Strategy. Recent work undertaken also includes the launch of the Southwark Community Energy Fund, which will seek to invest £400k in energy efficiency and renewable energy generation in community buildings across the borough. The council has also commenced investment in decarbonisation of its leisure centres, with funding allocated to install pool covers and building management systems, to ensure lower and more efficient energy use across the leisure portfolio.
5. The climate change capital budget is supporting programmes across the council, which are detailed elsewhere in this report and a summary of how this fund is being used is outlined below in the table below:

Project	£000
Window replacement in tenanted street properties	1,000
Burgess Park - Sports Centre	508
Crematoriums / Cemetery Buildings	250
Decarbonise operation council buildings - Library Sites	3,025
Decarbonise operational council buildings – Childrens/Youth/Adult Centres	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 and further feasibility in dining block	295
Partnership with Veolia, greening of our waste service focusing on transport and infrastructure	1,000
Library of Things - Walworth Library (complete)	48
LED Street Lighting - Speed up roll out	2,180
Expand cycle hanger programme	2,500
Expand EV charging programme (complete)	400
Funding to improve walking in Southwark	510
Walworth Walking Scheme	480
School Maps Scheme	110
Tiny Forest – Peckham Rye (complete)	20
Green Space Enhancements and Biodiversity Improvements	880
Southwark Community Energy Fund	400
Council's own emissions	4,699
St Paul's Sport Ground	45
Leisure Retrofit	96
Upgrade to the Building Management System (BMS) at six council operated leisure centres	114
BMX Floodlighting Improvement Project	46
Park LED Lighting	604
Cargo Bike Expansion	94
Projects for 5 resilience themes (Overheating, Flood, Water use, Supply chains, pests and diseases) and data and tools (tbc)	961
North Peckham and Camberwell rain gardens	39
Walworth Our Bike Scheme	6
Total	22,921

Leisure Division

6. The actual 2023-24 outturn is £7.7m against the revised budget of £10.1m. This is a £2.4m (24%) slippage against the revised budget. A new capital programme review board is being setup in the department and this will ensure any projects delivery bottlenecks are tackled and progress monitored more closely.

Environment Division

7. The actual 2023-24 outturn is £15.4m against the revised budget of £17.3m. This is a £1.9m (11%) slippage against the revised budget. A new capital programme review board is being setup in the department and this will ensure any projects delivery bottlenecks are tackled and progress monitored more closely.

Cleaner Greener Safer (CGS), (Including air quality projects)

8. The Cleaner Greener Safer 2023-24 programme met completion targets, both to time and budget. The CGS 2024-25 application round decisions were made in March 2024 with applicants being notified of their results and projects are being appropriately allocated. The CGS programme remains very popular with residents. A total of 60 compliments, across 31 wards, were received for the Cleaner Greener Safer scheme in 2023-24.

The Mayor's Air Quality Fund

9. The projects funded by this source have completed including the Walworth Low Emission Neighbourhood (LEN). Building on this success, the council are now conducting further projects in the Walworth area to improve the market and shopping street, and to improve health outcomes, and further environmental improvements in LEN intervention areas e.g. Browning Street.

Streets and Highways

10. The Non-Principal Road (NPR) programme, delivering major resurfacing of footways and carriageways, were close to the targeted number of completions for the year and within budget. The slight shortfall will be included in the 2024-25 programme.
11. The School Streets programme has successfully completed the scheduled six sites in 2023-24, with only minor items outstanding, which will be completed in 2024-25, together with any new schemes in 2024-25.
12. Cox's Walk footbridge major repair works commenced in February 2023. Works were suspended to ensure there was no disruption to the bird nesting season but recommenced in October 2023 and is now to be completed in May 2024. The projected cost has increased significantly due to inflation. A capital growth bid has secured additional funding of £800k, however, the project is likely to cost £1.5m to complete in total. The detailed costing will be included in the next update to cabinet.

13. Cycle Superhighway 4 has been completed. There were some delays due to Transport for London's contractors carrying out traffic signals and station refurbishment work. However, it opened officially on 4th March 2024. Work to design the longer-term removal of the gyratory is progressing in line with expectations.
14. The cycle hangars programme is progressing well with 734 hangars having been installed this year achieving 98% of our target.

PLANNING AND GROWTH

15. The total value of the capital programme for the department is currently £102m for the 10-year programme (after allowing for cabinet approved budget increases, as well as movement to and from the directorate). The actual 2023-24 outturn position is £27.4m (82%) against the revised budget of £33.3m. The variance is due to slippage in a few projects across the directorate. The progress of some of the major programmes by Division are detailed below:-

Planning

16. The actual 2023-24 outturn is £0.5m against the revised budget of £1.2m. This is a £0.7m (61%) slippage against the revised budget. Two projects affected are the Kentish Drover Ceram and the Walworth Partnership Schemes in Conservation Areas (i.e., Walworth PSICA). The Kentish Drivers project involves the renewal of a Grade II Listed Mural. The appointed design team have needed to revise the approach to the project following further discussion with specialist conservationists and Historic England, which has resulted in a delay.

Sustainable Growth South

17. The actual 2023-24 outturn is £3.3m against the revised budget of £6.8m. This is a £3.5m (51%) slippage against the revised budget. As set out below, this slippage is primarily a result of the delay in completion of the Harold Moody Health Centre on Aylesbury Plot 18. Further slippages are due to delays in construction works starting on site on Peckham Rye Station, Livesey Exchange, Peckham Square and Elim House.

Peckham Rye Station development

18. The first phase of works to construct new commercial space on Blenheim Grove, has been completed in August 2023. The buildings are currently being fitted out. In parallel, phase 2 tender documents are being finalised, for the works to demolish the buildings in front of the station to form the new civic square, with a start on site anticipated for summer 2024. This scheme will be further

complemented by a planned major upgrade to Peckham Rye station, which is currently awaiting planning permission. This will deliver a fully accessible station, subject to Department for Transport (DfT) funding.

Aylesbury Plot 18

19. This council flagship scheme in Aylesbury, will provide new community facilities including a new library, a GP health centre including community health and early year's facilities surrounding a new public square. The new Una Marson Library was completed and opened in November 2023. The Harold Moody Health Centre completion has been delayed to the second quarter of the 2024-25 year, (July-September 2024) due to infrastructure works which need to take place before the building is completed and occupied. This delay has resulted in a slippage of £2.9m.

Property Services

20. The actual 2023-24 outturn is £0.5m against the revised budget of £2.2m. The slippage is the result of delayed spend on void shops as well as the Pullen Yard improvement programme being behind schedule.

CHILDREN'S AND ADULTS' SERVICES

21. The total value of the department capital programme for the 10-year period, 2023-24 to 2032-33 is £106m.

Adult Social Care

22. The capital programme value for the period 2023-24 to 2032-33 is £29m. The main projects are; £5.4m for an essential lifecycle capital programme for the four residential care homes; £6.6m in respect of a programme of improvements to existing care settings; and £16m initially allocated for bed based care within the borough of which the majority was spent in 2023-24 for the acquisition of Tower Bridge Care Centre nursing home.
23. The Adult Social Care Capital Board has identified a number of priorities for 2023-24 and beyond, in order to meet the current and future needs of vulnerable adults in the borough. Accessibility is the key to improving the lives of those with disabilities and their carers. Projects such as the council's contribution to the provision of new Changing Places Toilets and the insourcing of three hostels have been undertaken to deliver improved services to all.
24. The Adult Social Care service invests in its property portfolio to ensure buildings provide safe and secure environments for staff and users. A proactive strategy of replacing building assets as they reach the end of their lifecycle and investing in low carbon/sustainable technology results in reduced breakdowns, lower maintenance and operating costs and helps the council meet its low carbon commitment.
25. The capital programme also includes an estimated £800k to enhance the council's social care IT systems to develop business intelligence that will drive savings, enhance management information and result in improved outcomes for our service users.
26. Southwark Council owns a range of properties that are used by Adult Social Care for residential and nursing care for older people and supported living accommodation for mental health and learning disabilities service users. The lifecycle work on these properties, including four residential/nursing homes for the elderly, consists of a five-year programme to March 2026 to upgrade and maintain the buildings fabric and the mechanical and electrical infrastructure. The work also includes a number of projects that will make the buildings more energy efficient and help the council meet its low carbon target. These projects include LED lighting, installing air source heat pumps (ASHP), new double

glazed windows and solar panels.

27. The four residential/nursing homes programme reflects the responsibilities agreed with the new care provider Agincare who are taking over the redecoration of residents' en-suite rooms. The programme consists of various projects of life cycle works such as lifts, replacement lighting, fire alarms, window replacements and pipework. Completed projects include lifts replacement at Greenhive and Rose Court with Waterside and Bluegrove currently being scoped. A feasibility study to replace hot and cold services pipework at Bluegrove with an ASHP system has been carried out in year with work started in January 2024 due to be completed in June 2024.
28. The planned lifecycle work on ASC-supported living accommodation is ongoing. Refurbishment at Grosvenor Terrace has been completed with planning consent for windows having been granted (as required by the conservation area) and quotes being obtained. The refurbishment at Half Moon Lane has also been completed. Works are planned at 3 Bowley Close, Crebor Street, Fort Road and then at Southwark Resource Centre (installation of LED lighting at the SRC is now complete). Significant works to the heating and cooling system at Riverside/Cherry Garden have been put on hold due to the longer-term decisions that are to be made on the future of the building.
29. The Corporate Facilities Management team are in the process of carrying out condition surveys to identify the feasibility, cost/benefit return and prioritisation of further low carbon schemes. This will be done with a view to reviewing the projects included in the latter part of the five-year programme, producing an updated programme for 2026-30 and obtaining authorisation to proceed with the next tranche of works in 2026-28.

Children's Services and Southwark Schools Capital Programme

30. The Children's Services capital programme forecast for 2023-24 to 2033-34 is £77m. This consists of £11.1m for the schools' refurbishment programme and £16.7m for special education needs and disabilities capital strategy. It also includes certain specific projects such as £15.5m for Charter School and other permanent expansion retention costs, £15.2m for Beormund Special School and £6.7m for Riverside Primary School, £1.6m for Rotherhithe Primary School, as well as £4m for the development of the two children's homes.
31. The overall programme is focussed on rightsizing provision, ensuring estate remains fit for purpose. In addition, a key priority is to ensure there is sufficient right high needs provision in the borough to meet future need. Rising

construction prices affect the capital programme by increasing demands on existing resources. Material costs are beginning to stabilise but the shortage of labour is now the biggest concern for contractors with wage inflation outstripping the general marketplace.

32. There is spare capacity in the primary sector (albeit spread unequally across the borough) because of falling rolls caused by a reduced birth rate and a change in the population demographics. In addition, there has been a reduction in pupil numbers in the earlier secondary year groups. Opportunities are being explored to maximise the use of existing assets to ensure the continued viability of schools and the efficient use of the council's resources. These proposals may be subject to future capital bids. There is also pressure to develop special needs provision to ensure capacity meets the future need for our pupils, which is a national issue for all education authorities.
33. Furthermore, another key priority of the programme is to ensure that any new school buildings are energy efficient in line with the council's target to become carbon neutral by 2030. To address this, all current new school buildings have to meet a BREEAM 'excellent' standard.
34. The Children and Families division has two capital projects in process at present, these being the two planned new children's homes. The main construction works on the first home are close to being complete. All construction works on the first home have now been completed. The second is at an early stage of development (RIBA Stage 4) and will open as a care home for children in 2025.

Primary Provision

35. The Primary School refurbishment programme delivers an annual programme of planned refurbishment works alongside emergency reactive works where necessary. 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. This programme also includes work to improve the air quality around schools utilising GLA grant funding for this. This programme is funded from the School Condition Allocation grant and it is calculated based on pupil numbers therefore the yearly allocation has been reducing in line with falling rolls.
36. Riverside Primary School is being redeveloped to re-provide defective early year's classrooms, dining space and safe access into the school. Contractors have been appointed to deliver phase 1 of the scheme, which includes the new

classrooms and the dining hall. This contract commenced in the October 2023 half term. Expected completion date for phase 1 of this project is autumn 2024. Phase 2 will cover the new entrance works into the main school building.

Secondary Provision

37. The Charter School East Dulwich is being expanded to address a shortfall in spaces in the local area. The project is in its second stage, with the demolition of the former buildings already completed and construction of a new hall, renovation of the original 'Chateau' building and new play landscaping. This work also includes the additional resource base for 20 pupils. The original completion date for the project has been delayed due to the main works contractor withdrawing from the contract. Therefore, new procurement arrangements had to be undertaken. Construction work commenced in December 2023 and the new facilities are expected to be available to the school in winter 2024.

Special Education Needs provision

38. In order to address a growth in the number of pupils with Education Health and Care Plans (EHCPs), options are being explored to redefine the local offer of special education provision from the early years to post-19 in Southwark. This is being done to increase the cost effectiveness of provision and reduce the incidence of pupils being educated out of borough or in high cost independent schools, which do not necessarily provide the best outcomes.
39. Beormund School is being expanded and relocated to Peckham. The new site will provide a purpose-built facility and support modern teaching techniques and learning for the Beormund SEMH School. It will also increase the school capacity to 56 pupils. The tender for the main contract has been awarded and initial construction work is underway. The anticipated completion for the project is spring/summer 2025.

HOUSING – GENERAL FUND CAPITAL OUTTURN 2023-24

Overview

40. The Housing General Fund capital programme is forecast to spend approximately £28.6m over the period to 2023-2033, comprising housing renewal schemes (£28.1m) and residual works on travellers' sites (£0.5m). The outturn spend for 2023-24 was close to budget at £2.1m, £0.3m less than previously forecast, largely due to delays in the travellers refurbishment works programme.

Asset Management - Housing Renewal

41. The aim of the housing renewal programme is to support vulnerable people in living independently in private sector accommodation through assistance with repairs, improvements and adaptations to their homes. It also aims to provide support to private landlords and property owners in bringing empty properties back into use. This support is provided through the provision of grants and loans and is largely funded through the Disabled Facilities Grant (DFG) and the council's own resources. The majority of expenditure is for the DFG at £1.9m, along with £0.2m for housing renewal comprising funding for home repairs, small works and support for landlords.
42. The DFG service has been successful in increasing the delivery of major adaptations, which is at its highest level for five years. The installation of showers and wet rooms account for 79% of the 124 major works completed in the year, with stair-lifts, ramps, step-lifts and hoists comprising the remaining works. Demand remains high, current caseload comprises 14 works on site and 41 cases at initial stage or out to tender, with 33 cases pending.
43. The Empty Homes service was successful in bringing 43 empty homes back into use during 2023-24, with promotional campaigns continuing to run. Cabinet approved additional resources of £2m specifically for the compulsory purchase of empty homes, and there are a number of high value properties currently identified for potential acquisition.

Resident Services - Traveller Sites

44. A comprehensive programme of reconfiguration and improvement works to address health and safety and compliance issues (principally fire safety) has already been undertaken and further investment in sites is planned. A variation of £0.3m was approved by Cabinet 2023 for the Springtide site, with 50% match-

funding secured from the GLA. The works programme is expected to commence later this financial year.

FINANCE

45. The total value of the finance capital programme for the ten years to 2032-33 is £47m, with an outturn spend in 2023-24 of £6.6m. The spend represents IT investment schemes, including the Smart Working programmes, the Public Switched Telephone Network which are detailed below.

Technology and Digital Services (TDS)

46. TDS supports and manages investment in the council's IT infrastructure. This is necessary to improve the on-line experiences of residents, enabling them to find the information and guidance they require and access our services. In addition, investment in technology enables staff to deliver improved public services across communities and is helping the council to become one of the best-connected and digital boroughs in London. Use of emerging technology and data helps to enhance our communities and to ensure that residents are able to connect to fast accessible broadband.
47. As previously reported, 2023-24 has seen investment in a new Customer Relationship Management (CRM) system to improve use of data, technology transformation following the "Future Gov" review, cloud optimization opportunities, continued migration away from dated windows servers and refresh of the network infrastructure. Other important projects have included website and intranet replacement and consolidation of applications which together with a range of other smaller scale projects completed the focus for the year.
48. The £5.7m of expenditure in 2023-24 completes the IT investment schemes programme with the focus in future years being driven by the council's Technology and Digital Strategy published in March 2024, which provides a clear plan for how the council intends to build responsive digital services that meet the requirements of our residents. The necessary investment will be channeled through two new capital programme schemes focusing on refreshing essential hardware including laptops that will continue to facilitate modern flexible ways of working and further investment to facilitate efficient service provision and business improvements aligned with the five key pillars outlined in the Technology and Digital Strategy for 2024-2026.

49. In particular, investment will concentrate on the replacement of networking technology across the wider operational estate, improving workplace collaboration through upgrades to meeting spaces, continued development of the Customer Relationship Management (CRM) system to improve use of data, case management and enhance transformation within customer services and housing.
50. Other planned investment includes delivering a Modern Data Platform to support the council in becoming a data led organisation, further website development to enhance channels to citizens, customer portal technology and review and completion of the data centre migration, embracing cloud computing.
51. The risk of cyberattacks and data breaches, which could result in financial and reputational harm remains ever present with investment necessary to ensure that our systems and data remain secure and compliant. Other investment opportunities including robotic process automation to remove repetitive work from employees, intranet replacement and the integration of back office systems to improve productivity all form part of the technology and digital strategy.

Smart Working Programme

52. This programme is now complete with the council being asked as part of this report to approve the transfer of the remaining programme budget of £0.2m to the new laptop refresh programme. However, expenditure this year of £0.5m did continue to support the ongoing transformation of how the council operates.

Public Switched Telephone Network (PSTN)

53. In November 2017, BT Openreach announced they would be switching off the Public Switched Telephone Network (PSTN) in December 2025. The PSTN allows the delivery of “analogue” telecommunications services via copper lines and is being switched off to be replaced with Voice over Internet Protocol (VoIP) services delivered over a fibre network. Switching off the PSTN and moving to VoIP is also called the digital switchover.
54. A number of technologies are dependent on PSTN wiring and will need to be upgraded to deal with this change. For the council, this includes our lift infrastructure and SMART monitor systems. The general fund programme budget of £3.59m was approved to enable works relating to Telecare (SMART), council offices, schools and nurseries and highways and CCTV.

55. The aim of the programme is to manage all commercial and residential services that will be affected by the Public Switched Telephone Network (PSTN) switch off that is due to be completed by December 2025. This will involve overseeing the migration, replacement and implementation of new technologies to limit the effect of this decision upon the residents, services provided and officers within Southwark.
56. The Telecare (SMART) service is delivered to residents living in both Lambeth and Southwark. This means that the cost of the upgrades necessary for the service to continue will be shared proportionally across both authorities.

GOVERNANCE AND ASSURANCE

Asset Management - Corporate Facilities Management (CFM)

57. The Corporate Facilities Management (CFM) capital programme is split between lifecycle and compliance schemes. Lifecycle schemes focus on the maintenance of the fabric of buildings and in meeting sustainability targets, mainly through upgrading heating and lighting systems; including the installation of air sourced heat pumps and LED lights. Total CFM capital investment in 2023-24 was £6.6m, being £6.2m on Lifecycle and £0.4m on Compliance. While this figure is above that previously forecast, this reflects the fluid nature of capital investment, where the profile of expenditure can change depending on immediate need, revisions to any underlying accommodation strategy and the impact of stretched resources.
58. The compliance programme supports the council in meeting its statutory responsibilities through a comprehensive inspection and assessment regime. The investment ensures operational buildings are compliant with building standards and health and safety rules and regulations and helps to provide environments that support the wellbeing of both staff and service users. Spend on both compliance this year, together with the lifecycle programme investment, continues to enhance the life of the operational estate and maintain asset value.
59. In acknowledging the continuous nature of investment delivered through the CFM Lifecycle and Compliance programmes, the council approved further investment budgets of £36m and £9m respectively.

Housing Investment Programme 2023-24 to 2032-33- Appendix C

Programme	Programme Area	Scheme	Spend at month 12	Forecast					2023/24-2032/33 Total Forecast	
				2023/24 Forecast	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast	2027/28 Forecast		2028/29+ Forecast
Asset Management	Investment	Major works	58,401,311	58,401,311	42,652,711	40,415,711	53,762,689	35,413,552	134,623,390	365,269,364
		District Heating	293,720	293,720	2,990,959	5,519,642	-	-	-	8,804,321
		Fire/Building Safety	258,808	258,808	1,657	-	-	6,000,000	7,291,119	13,551,584
		Security	16,035	16,035	41,400	-	-	-	-	57,435
			58,969,874	58,969,874	45,686,727	45,935,353	53,762,689	41,413,551	141,914,509	387,682,705
	Engineering	Asbestos	1,304,266	1,304,266	1,895,734	1,600,000	1,600,000	1,600,000	8,000,000	16,000,000
		Boiler replacements	3,643,736	3,643,736	1,856,264	2,000,000	4,000,000	4,000,000	20,000,000	35,500,000
		District Heating	5,992,030	5,992,030	3,387,776	5,600,000	4,600,000	1,600,000	8,000,000	29,179,806
		Electrical	8,277,781	8,277,781	12,893,370	12,020,000	14,777,401	10,020,000	28,343,000	86,331,552
		FRA Tasks	1,635,000	1,635,000	-	-	-	-	-	1,635,000
		Fire Safety	-	-	3,000,000	5,000,000	5,000,000	5,000,000	25,000,000	43,000,000
		Lifts	2,211,449	2,211,449	2,189,898	2,400,000	1,400,000	1,400,000	7,600,000	17,201,347
		Ventilation	638,986	638,986	211,014	350,000	400,000	400,000	1,700,000	3,700,000
		Water tanks	629,968	629,968	1,020,032	750,000	500,000	500,000	2,500,000	5,900,000
		Data systems improvements	-	-	600,000	600,000	600,000	-	400,000	2,200,000
		Security	267,094	267,094	157,906	500,000	500,000	500,000	2,500,000	4,425,000
		Ladders	-	-	1,390,000	1,256,250	1,188,750	1,160,000	1,120,000	6,115,000
				24,600,310	24,600,310	28,601,994	32,076,250	34,566,151	26,180,000	105,163,000
	Repairs	Adaptations	1,663,481	1,663,481	1,536,519	1,600,000	1,600,000	1,600,000	8,000,000	16,000,000
		Communal	2,092,584	2,092,584	3,107,416	2,800,000	3,550,000	3,550,000	17,750,000	32,850,000
		Emergency structural	-	-	300,000	-	-	-	-	300,000
		FRA Tasks	7,467,511	7,467,511	15,784,489	3,756,000	1,456,000	1,456,000	7,280,000	37,200,000
		Health & Safety	3,498,039	3,498,039	-	-	-	-	5,751,436	9,249,475
		Major voids	-	-	-	534,000	-	-	-	534,000
		Major repairs	996,486	996,486	-	-	-	-	-	996,486
		Roofing	2,575,395	2,575,395	1,924,605	2,250,000	2,250,000	2,250,000	11,250,000	22,500,000
		Voids	2,386,937	2,386,937	1,893,063	2,000,000	2,000,000	2,000,000	10,000,000	20,280,000
			20,680,433	20,680,433	24,546,092	12,940,000	10,856,000	10,856,000	60,031,436	139,909,961
	Building Safety	Fire/Building Safety	4,493,430	4,493,430	8,511,072	7,000,000	-	-	-	20,004,503
		Stock Condition Survey	-	-	1,000,000	1,000,000	2,629,200	2,629,200	1,879,200	9,137,600
			4,493,430	4,493,430	9,511,072	8,000,000	2,629,200	2,629,200	1,879,200	29,142,103
		Total Asset Management	108,744,048	108,744,048	108,345,885	98,951,603	101,814,040	81,078,751	308,988,145	807,922,473
		Financing								

	Major Repairs Reserve	46,857,091	46,857,091	51,600,000	51,600,000	51,600,000	51,600,000	258,000,000	511,257,091	
	CERA	3,222,564	3,222,564	-	-	-	-	-	3,222,564	
	Non RTB receipts	3,280	3,280	29,121,720	-	-	-	-	29,125,000	
	RTB receipts	-	-	-	-	-	-	-	-	
	Grants & external contributions	31,875	31,875	29,621	-	-	-	-	61,496	
	S106 receipts	-	-	-	-	-	-	-	-	
	Borrowing	58,629,238	58,629,238	27,594,544	47,351,603	50,214,040	29,478,751	50,988,145	264,256,322	
	Total financing	108,744,048	108,744,048	108,345,885	98,951,603	101,814,040	81,078,751	308,988,145	807,922,473	
New Build & Acquisitions	Acquisitions									
	Acquired	252,660	252,660.00	2,009,830	1,000,000	-	-	-	3,262,490	
	Delivered and in defects	6,345,007	6,345,007.00	-	-	-	-	-	6,345,007	
	Total Acquisitions	6,597,667	6,597,667.00	2,009,830	1,000,000	-	-	-	9,607,497	
	New Build									
	Delivered	1,523,128	1,523,128	1,190,563	243,377	-	-	-	2,957,068	
	Delivered and in defects	8,328,686	8,328,686	4,923,579	1,244,635	-	-	-	14,496,901	
	On site - under construction	186,540,247	186,540,247	130,295,566	73,708,911	39,413,605	27,206,665	94,343,201	551,508,195	
	Pre-construction	7,789,724	7,789,724	29,798,998	33,649,373	25,110,545	39,383,586	108,979,618	244,711,845	
	Paused	5,578,279	5,578,279	3,367,793	229,550	-	-	-	9,175,621	
Uncommitted	467,922	467,922	108,909	-	-	-	-	576,831		
Total New Build	210,227,986	210,227,986	169,685,408	109,075,847	64,524,150	66,590,251	203,322,819	823,426,461		
Total New Build & Acquisitions	216,825,653	216,825,653	171,695,238	110,075,847	64,524,150	66,590,251	203,322,819	833,033,959		
Financing										
Major Repairs Reserve	-	-	-	-	-	-	-	-	-	
CERA	-	-	-	-	-	-	-	-	-	
Non RTB receipts	24,348,425	24,348,425	14,795,040	1,966,000	5,000,000	4,000,000	-	-	50,109,465	
RTB receipts	971,439	971,439	1,512,825	2,807,528	3,469,121	1,264,575	-	-	10,025,487	
Grants & external contributions	13,141,054	13,141,054	11,600,638	12,570,675	2,583,000	27,507,000	16,484,500	-	83,886,868	
S106 receipts	46,547,438	46,547,438	10,700,703	10,000,000	10,000,000	10,000,000	40,000,000	-	127,248,141	
Borrowing	131,817,298	131,817,298	133,086,032	82,731,643	43,472,030	23,818,676	146,838,319	-	561,763,998	
Total financing	216,825,653	216,825,653	171,695,238	110,075,847	64,524,150	66,590,251	203,322,819	-	833,033,959	
Other Programmes	Home Purchase Scheme	856,354	856,354	551,185	132,462	-	-	-	1,540,001	
	Regeneration	62,196	62,196	102,978	-	-	-	-	165,173	
	T&RA Halls	-	-	1,645,897	-	-	-	-	1,645,897	
	Marie Curie Acquisitions	690,163	690,163	1,630,975	-	-	-	-	2,321,138	
	Leathermarket JMB consolidation	4,029,907	4,029,907	2,961,000	-	-	-	-	6,990,907	
	Total Other	5,638,619	5,638,619	6,892,035	132,462	-	-	-	-	12,663,116
	Financing									
Major Repairs Reserve	-	-	-	-	-	-	-	-	-	
CERA	-	-	-	-	-	-	-	-	-	
Non RTB receipts	-	-	-	-	-	-	-	-	-	
RTB receipts	245,323	245,323	45,652	-	-	-	-	-	290,975	

	Grants & external contributions	4,029,907	4,029,907	2,961,000	-	-	-	-	6,990,907
	S106 receipts	-	-	-	-	-	-	-	-
	Borrowing	1,363,390	1,363,390	3,885,383	132,462	-	-	-	5,381,235
	Total financing	5,638,619	5,638,619	6,892,035	132,462	-	-	-	12,663,116
<hr/>									
	Total Housing Investment Programme	331,208,321	331,208,321	286,933,158	209,159,912	166,338,191	147,669,002	512,310,964	1,653,619,548
<hr/>									
Financing	Major Repairs Reserve	46,857,091	46,857,091	51,600,000	51,600,000	51,600,000	51,600,000	258,000,000	511,257,091
	CERA	3,222,564	3,222,564	-	-	-	-	-	3,222,564
	Non RTB receipts	24,351,705	24,351,705	43,916,760	1,966,000	5,000,000	4,000,000	-	79,234,465
	RTB receipts	1,216,761	1,216,761	1,558,477	2,807,528	3,469,121	1,264,575	-	10,316,462
	Grants & external contributions	17,202,835	17,202,835	14,591,260	12,570,675	2,583,000	27,507,000	16,484,500	90,939,270
	S106 receipts	46,547,438	46,547,438	10,700,703	10,000,000	10,000,000	10,000,000	40,000,000	127,248,141
	Borrowing	191,809,926	191,809,926	164,565,958	130,215,708	93,686,070	53,297,428	197,826,464	831,401,554
	Total financing	331,208,321	331,208,321	286,933,158	209,159,912	166,338,191	147,669,002	512,310,964	1,653,619,548

Project Name	Project Code	Children's	Adult Social Care	Children's and Adults' Services	Southwark Schools for the Future	Finance and Corporate Services	Environment, Neighbourhoods & Growth	Housing	General Fund Programme Total	Housing Investment Programme	Total Programmed Expenditure
Housing									-		-
									-		-
									-		-
HRA											
18-19 Crimscott Street S106 Acqs	H-2017-2025.13									(824,622)	(824,622)
Braganza St (A)	R-5014-0000.1									(258,953)	(258,953)
Cherry Gardens (A)	R-5014-0000.5									1,200,000	1,200,000
Flaxyard/Sumner (B)	R-5014-0000.9									835,386	835,386
Meeting House Lane	H-8888-9445									(5,722,084)	(5,722,084)
39-44 Rutley Close	H-8888-9490									362,419	362,419
Salisbury Estate	H-8888-9491									(157,005)	(157,005)
66 Linden Grove	H-8888-9607.01									456,379	456,379
Heaton House	H-8888-9730									25,586	25,586
TA refurb/conversion contract 1-TA1 combined	H-8888-9828									291,630	291,630
TA refurb/conversion contract 2-TA2 combined	H-8888-9829									205,183	205,183
2 Linden Grove (hostels)	H-8888-9827									54,035	54,035
17-19 Wood Vale Ph5	H-8888-9831									46,794	46,794
Gatebeck	H-8888-0004									(53,000)	(53,000)
Southdown house	H-8888-0005									(4,327)	(4,327)
Sumner Road - Site B Private Sales	H-8888-9554									(18,916)	(18,916)
Leathermarket JMB consolidation	wdsLeat									4,545,817	4,545,817
TOTAL VARIATIONS TO BE APPROVED AT OUTTURN		-	-	-	-	-	2,757,621	-	2,757,621	984,322	3,741,943
TOTAL PROGRAMME BUDGET VIREMENTS & VARIATIONS AT OUTTURN 2023/24		-	-	-	-	-	2,757,621	-	2,757,621	984,322	3,741,943
REVISED BUDGETS		74,739,893	28,981,550	103,721,443	2,228,820	110,380,391	261,702,594	28,571,148	506,604,396	969,080,637	1,475,685,033
VIREMENTS & VARIATIONS REQUESTED TO BE APPROVED FINANCED BY:											
Corporate Resources / Capital Receipt		-	-	-	-	-	41,001	-	41,001	-	41,001
Major Repairs Allowance		-	-	-	-	-	-	-	-	-	-
Reserves		-	-	-	-	-	86,836	-	86,836	-	86,836
Revenue		-	-	-	-	-	-	-	-	-	-
Capital Grant		-	-	-	-	-	2,398,382.72	-	2,398,383	-	2,398,383
Section 106 and CIL		-	-	-	-	-	231,401	-	231,401	-	231,401
External Contribution		-	-	-	-	-	-	-	-	4,545,817	4,545,817
Supported Borrowing		-	-	-	-	-	-	-	-	(3,561,495)	(3,561,495)
TOTAL RESOURCES		-	-	-	-	-	2,757,621	-	2,757,621	984,322	3,741,943

Meeting Name:	Cabinet
Date:	22 July 2024
Report title:	Policy and Resources: Revenue Outturn Report 2023-24
Cabinet Member:	Councillor Stephanie Cryan, Equalities, Democracy and Finance
Ward(s) or groups affected:	All
Classification:	Open
Reason for lateness (if applicable):	N/a

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

This report outlines the council’s revenue outturn position for 2023-24. We continue to maintain a strong outturn position despite a very difficult economic environment and have delivered a balanced outturn for the financial year. We have also been able to keep our General Fund reserves stable which is important as we continue to navigate financial uncertainty.

I would like to thank cabinet and officers for driving through our budget commitments and for their hard work in ensuring we continue to have a robust General Fund, at a time when one in five councils are reporting they are likely to need to issue a Section 114 notice.

The report notes that the ongoing financial situation within the Housing Revenue Account and highlights the Recovery Plan we have put in place to ensure we are able to deliver on our statutory housing requirements and to ensure we are providing the right services our council tenants and leaseholders as well as dealing with the increasing demands within our housing stock.

There continue to be significant challenges within the revenue budget including:

- Demand pressure on the Dedicated Schools Grant budget, although having successfully negotiated a ‘Safety Valve Agreement’ with the Department of Education to help reduce historic debt, we are now starting to see a more positive financial outturn position.
- Continued pressure on the Temporary Accommodation budget, mainly driven by the

impact of the cost of living crisis and the local housing allowance not covering rent costs across the borough. We are continuing to see supply pressures with less properties becoming available on the rental market.

- The Housing Revenue Account is under very significant pressure due to historical decisions by the Government in respect of rent reductions and rent caps, and the increase in the number of repairs being reported and the new statutory requirements for building safety and tackling damp and mould. In addition, the Housing Capital Programme continues to be under pressure due to the impact of inflation and rising interest rates.

Looking ahead to the current financial year, the General Fund remains robust, despite the challenges and we keep an eye to the General Election and ask that any future Government commits to longer term funding certainty for Local Authorities through multi-year settlements.

RECOMMENDATIONS

Recommendation for the Cabinet to approve:

1. The interdepartmental budget movements that exceed £275k, as shown in Appendix 1.

Recommendations for the Cabinet to note:

2. The Housing Revenue Account (HRA) overspend of £16.4m and the mitigating actions, including additional borrowing required for Asset Management.
3. The utilisation of the £4m contingency together with £1.4m of risk reserve to offset the overall adverse variance and present a balanced general fund outturn position for 2023-24.
4. The key adverse variations and budget pressures and mitigating actions underlying the outturn position:
 - (i) Housing Revenue Account (paragraphs 13-28)
 - (ii) Home to school transport (paragraph 45)
 - (iii) Pressures in the No Recourse to Public Funds (NRPF) (paragraph 58)
 - (iv) The continuing budget pressures on Temporary Accommodation (paragraphs 75-76).
5. The interdepartmental general fund budget movements that are less than £275k as shown in Appendix 1.
6. The positive variance of £1.98m in the ring-fenced Dedicated Schools Grant (DSG) reducing the overall deficit to £9m as at 31 March 2024 (paragraph 47).

REASONS FOR RECOMMENDATIONS

7. Cabinet is asked to note the revenue outturn position for 2023-24 and budget movements below £275k. For movements above £275k the cabinet is required to approve these as required by the Financial Standing Orders.

ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

8. N/a

POST DECISION IMPLEMENTATION

9. N/a

BACKGROUND INFORMATION

10. This report sets out the outturn position for the housing revenue account, the general fund and dedicated schools grant for the 2023-24 financial year.
11. The cabinet agreed a balanced housing revenue account (HRA) budget on 17 January 2023. The budget monitoring report to January 2024 cabinet forecast a projected overspend of £16.8m for 2023-24, together with mitigations in place to contain this over the short, medium and long term. Paragraphs 13 to 28 show a small improvement in this position and details the medium and long term mitigations in place to ensure the financial sustainability of the HRA.
12. The council agreed a balanced general fund budget on 22 February 2023 including a 2.99% council tax increase and a contribution from earmarked reserves of £2.5m. The council also approved budget decisions which included efficiencies, savings and additional income generation of £16.4m within the general fund for 2023-24. Performance on achieving these savings was closely monitored and any significant variances are included in departmental narratives.

KEY ISSUES FOR CONSIDERATION

HOUSING REVENUE ACCOUNT (HRA) OUTTURN 2023-24

13. The council manages its housing stock through its ring-fenced landlord account, the Housing Revenue Account (HRA). The gross overspend on tenant facing budgets of £31.3m which is partially offset by financing and one-off underspends, showing a final adverse variance of £16.4m (Table 1) before mitigations to bring the HRA into a balanced position.
14. In order to balance the £16.4m overspend, capital spend that would normally have been funded through revenue contributions via the Major Repairs Reserve has been funded through additional unplanned borrowing. Overspends on the Asset Management programme mean that, including the £16.4m, a total of £59m has been borrowed for Asset Management in 2023-24. This is the first

time the council has had to do this, having previously earmarked all borrowing for the New Homes programme.

Table 1 HRA Outturn 2023-24

Category	Revised Budget	Outturn	Variance	Change since M8
	£000	£000	£000	£000
<i>HRA Expenditure</i>				
Resident Services (Housing Management)	59,636	73,181	13,545	2,838
Asset Management (Repairs and Maintenance)	69,629	85,323	15,694	3,373
New Homes	670	984	314	-180
Customer Services	5,272	7,091	1,819	109
Directorate	1,952	1,926	-26	205
Total Tenant Facing Services	137,158	168,505	31,347	6,346
Exchequer Services (incl. Homeowner Services)	16,439	19,642	3,203	-904
Central Services	31,958	26,949	-5,009	-1,521
Heating Account	15,498	24,145	8,647	4,905
Total Corporate Support Services	63,895	70,736	6,841	2,480
Debt Financing	32,505	25,066	-7,439	-3,436
Depreciation	53,000	46,857	-6,143	-4,643
Revenue Contribution to Capital	22,987	17,039	-5,948	1,652
Total Capital Financing	108,492	88,962	-19,530	-3,947
Capital, Financing and Support Services	172,386	159,698	-12,688	-3,947
Total HRA Expenditure	309,545	328,203	18,658	2,399
<i>HRA Income</i>				
Tenant and Homeowner Charges	-294,238	-295,626	-1,388	-2,662
Non-residential Property Charges	-15,307	-16,225	-918	-319
Total HRA Income	-309,545	-311,851	-2,306	-2,981
Total HRA	0	16,352	16,352	-581
Mitigation Measures to Balance the HRA				
Reduce Revenue Contribution to Capital		-13,815		
Application of Reserves		-2,537		
		<u><u>0</u></u>		

15. This position is the result of a number of factors, some of which are outside the council's control, such as government policy and macro-economic events which include:

Macro-economic factors

- The cumulative effect of a government imposed 1% rent reduction for four years for the period 2016-17 to 2019-20, running into hundreds of millions in income foregone
- A government imposed 7% cap on rents from 1st April 2023, when formula rent would have yielded 11.1%, an annual loss of £9m+ in the current year and a reduced income base going forward
- Unfunded additional burdens arising from the Fire Safety and Building Safety Acts of 2020 and 2021
- Unprecedented construction industry inflationary pressure

Internal Factors

- The additional borrowing requirement for the new homes and asset management programmes compounded by the impact of a three-fold increase in interest rates since December 2021, which has substantially increased the revenue impact of financing costs in the HRA.

HRA - Mitigating Actions

16. Previously, to address the situation, the council had collectively assessed options to manage the short-term pressure by reducing in-year spend. Additionally, more medium to longer term actions were undertaken to further moderate the future impact of this through, for example, the repairs improvement programme, an end-to-end review of void properties and the refresh of the asset management strategy. Additionally, the scheme of management has been reviewed and robust spending controls implemented. It continues to be a council strategic priority to consider how the HRA can be managed in the longer term to ensure financial sustainability, including:

- Setting cash limits within which services are required to operate
- Improving procurement practices and continue to embed more robust contract management to maximise outcomes and achieve value for money
- Agreeing a plan to maintain HRA reserves to their current level and to increase to a more prudent level over the medium term
- Continuing to lobby central government, for appropriate funding for social housing
- Limiting and ultimately repaying any borrowing for the asset management capital programme
- Maximising capital receipts through the sale of uneconomic assets and land in order to reduce the borrowing burden on the HRA
- Applying prudent viability criteria to all new build projects to minimise the need for borrowing

- Pausing a small number of new build schemes in order to limit the council's borrowing and ensure that interest repayments remain affordable
 - Taking all necessary steps to limit the impact of capital financing on the HRA to an affordable level, taking into account all other service demands and priorities.
17. It should be noted that the pressures on the HRA are not unique to Southwark. The impact of the rent capping policy and rent increases below inflation, coupled with above inflation running costs, rising interest rates and energy costs are impacting on all councils responsible for social housing. But the impact is more pronounced for Southwark given it has the largest social housing stock in London and is the fourth largest social landlord in the country.
18. To protect the limited HRA reserves held, the deficit on the HRA will be managed by reducing the revenue contribution to funding capital expenditure. This is an approach that has been avoided previously as it adds additional pressure to the revenue account (through the interest payments on the borrowing) and it reduces the borrowing headroom available for the new build programme. This additional borrowing will increase the interest payable on debt by around £400k per year until repaid, further increasing the financial pressure into 2024-25 and beyond.
19. Additional borrowing of £59m has had to be undertaken for the asset management programme, which will incur additional interest payments over and above the legacy debt and borrowing for the new homes programme. This is an unprecedented step by the council as a short-term measure within the HRA recovery plan.

2023-24 Tenant Facing Services

20. For 2023-24, an additional budget provision of £11.4m was made across tenant facing services. Despite the actions mentioned above, the cost of these services has continued to rise, increasing by a further £6.3m since the month 8 monitoring report to cabinet. The cash limit for 2024-25 were agreed based on a forecast position before this further increase, therefore a greater level of spend reduction will now need to take place in 2024-25.
21. For resident services, the forecast has worsened to £13.5m, notwithstanding a budget uplift of £4.4m for 2023-24. The main pressure areas continue to comprise a higher volume and unit cost of estate voids, together with increases in the estate cleaning and grounds maintenance contract costs provided through the Environment, Neighbourhoods and Growth (ENG) department. This was predominantly driven by the 2023-24 pay award (which was higher than previously estimated). Other contributory factors are Tenant Management Organisation (TMO) costs, energy costs for estate lighting, council tax losses on long term voids and planned maintenance works on Tenant Resident Association (TRA) Halls.

22. Similarly for asset management, the forecast has increased to £15.7m, despite a budget increase of £6.4m this year. The main cost pressures continue to be on repairs and maintenance to the housing stock, particularly through Southwark Repairs, where the final deficit was £12.2m, together with communal works, disrepair, voids and 'damp and mould' remedial work.
23. Within the new homes division, the nature of the work is predominantly project specific, therefore a high proportion of costs are capitalised. This year, the overspend reduced from a forecast of £0.5m to a final value of £0.3m. However, as the programme slows and re-phasing takes place, it is anticipated that costs will start to reduce next year, which may impact on the level of capitalisation that can be charged and may give rise to abortive feasibility costs being charged to revenue.
24. Customer services has a relatively small revenue budget by comparison to others within the HRA (£5.3m), which covers a significant proportion of the costs of the contact centre, customer complaints and other housing specific services. Given extremely high call volumes and housing related activity the forecast has been revised to £1.8m over budget. This comprises the 2023- 24 pay award and additional resources that have been put in place to address severe capacity shortfalls, predominantly related to the repairs service and in anticipation of further call growth over the winter period.

Capital, Financing and Support Services

25. Whilst the cost of debt has increased following the decision to reduce the revenue contribution to fund capital expenditure, there have been other significant spend reductions in this area which has mitigated the increased expenditure in tenants facing services. An overall reduction in the forecast borrowing requirement has led to a re-phrasing of the interest payable. As interest rates payable on debt has increased, so has interest receivable on cash balances. This has generated a windfall of £6m. Depreciation on dwelling stock has been revalued downwards, further increasing the capacity to temporarily offset spending pressures elsewhere within the HRA.

Tenant and Homeowner Charges

26. The final tenant rents and service charge income was higher than forecast due to new homes coming on line, a reduction in the rents foregone on void properties and homeowner income from loan interest and charges.

HRA Recovery Plan

27. As mentioned above, cash limits have been agreed with service directors, who have been planning on how service delivery can be maximised within limited financial resources. The cash limits themselves fully distribute the planned HRA financial resources across services, with little held as an in year contingency. Therefore, there is limited scope for dealing with financial pressures not contained within these agreed cash limits, except for using already-diminishing reserves.

28. The overall recovery plan is also predicated on capital receipts from the disposal of appropriate properties. This process is on track to achieve the desired value of receipts.

GENERAL FUND OVERALL POSITION

29. The final outturn position for the general fund is balanced after movements in reserves and use of contingency, as set out in Table 2. This table shows the departmental budget outturn variances together with the utilisation of reserves and contingencies to come to the balanced outturn as at the end of 2023-24.

Table 2: 2023-24 General Fund outturn position

General Fund	Budget	Actuals	Reserve Movement	Total use of Resources	Variance after use of reserves
	£000	£000	£000	£000	£000
Children & Adults	175,240	172,585	2,655	175,239	(1)
Environment, Neighbourhoods and Growth	106,449	110,521	(3,822)	106,699	250
Housing	26,225	29,545	(194)	29,351	3,125
Finance	15,939	17,459	652	18,111	2,173
Governance and Assurance	25,516	25,896	(502)	25,394	(122)
Strategy and Communities	8,333	8,425	(89)	8,336	3
Support Cost Reallocations	(43,370)	(43,370)	-	(43,370)	-
Contribution from Reserves	(2,500)	(2,500)	-	(2,500)	-
General Fund Service Outturn Forecast	311,833	318,560	(1,299)	317,261	5,429
General Contingency	4,000	-	-	-	(4,000)
Risk reserves	-	-	(1,429)	(1,429)	(1,429)
Outturn	315,833	318,560	(2,727)	315,833	-

30. Overall, the financial performance of the general fund has been strong in 2023-24, despite significant challenges in the wider macro-economic environment, with high inflation and interest rates. The council has also experienced significant underlying demand-led pressures in several areas such as home to school transport, homelessness services and the costs of supporting those with 'No Recourse to Public Funds'. Budget monitoring reports to cabinet have highlighted these pressures, which were mitigated through effective management activity, use of specific reserves earmarked for that purpose, and by the use of the contingency.

31. Despite these challenges, the council has continued to invest in initiatives to support those most impacted in the borough, including supporting the most vulnerable residents through the cost-of-living crisis.

32. Appendix 1 provides more detail on the in-year budget movements.

33. 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.
34. The following paragraphs outline in more detail the outturn by each directorate.

Children's and Adults' Services

35. This financial year has been very challenging for the Children's and Adults' Services, due to the cost-of-living crisis, higher than normal inflationary increases as well as the general economic uncertainty. The department has worked very hard to ensure value for money is achieved and by working in partnership with finance, human resources (HR) and procurement achieved an overall balanced position for the 2023-24 financial year.
36. The key areas of concern affecting the general fund include the pressure on the special educational needs transport services, increased demand for care packages in the Adult Social Care directorate and the increased complexity of need and cost, for those leaving hospital with 'high acuity care' needs. The department has built up reserves over the last few financial years to withstand some of these challenges, in a planned and purposeful way, over the short and medium term, and directors continue to practice strict financial management across all areas.

Adult Social Care

37. The adult social care division closed the year with a small favourable variance. This was achieved through ensuring that the additional funding was targeted most efficiently at those areas, particularly in placements, which have seen substantially increased demand and inflationary pressures. The service is actively seeking to manage demand, despite the ongoing pressures of hospital discharges and the resultant increased costs in homecare, nursing and residential care. The department has very high costs, driven by the increased complexity of client need, as well as higher than expected inflationary pressures from rising price and wage inflation.
38. The service has an established track record of good financial management in partnership with finance, HR, commissioning and procurement colleagues and this will continue in order to ensure financial sustainability in the challenging years ahead. The current economic climate and the uncertainty around the key funding streams make it difficult for the service to plan ahead. The announcement to delay the adult social care reforms including charging reforms and fair cost of care has made medium to long term financial planning difficult. It is expected that the cost of implementation of the reforms will not be fully funded and will add to the pressures faced by the department.

Children's Social Care

39. The service has experienced a number of years of improved outturn which can be attributed to purposeful early help work to better support children and families, rather than the more costly statutory social care system, as well as some reduced staffing cost pressures. While the shortage in the supply of children's social workers is still a major financial pressure within the department, new recruitment and retention initiatives have started to improve the position.
40. The favourable position is also the result of a well-managed reduction in demand for statutory social care services, primarily lower numbers of children in care, which has been somewhat offset by the increased numbers of care leavers and higher cost placements. There are still concerns that the cost-of-living crisis, higher than normal inflationary increases of placement costs and rising numbers of unaccompanied asylum seeking children in the borough, is likely to present financial pressure especially in the medium and longer term.
41. The service is also working hard with commissioning and corporate colleagues to address the lack of sufficient placements through opening two children's homes and increasing the capacity of commissioned semi-independent accommodation providers within the borough. The service has an established track record of good financial management in partnership with finance, HR, commissioning and procurement colleagues and this will continue in order to ensure financial sustainability in the challenging years ahead.

Commissioning

42. The commissioning division has ended the year with a favourable variance. This is mainly due to the vacancies across the division. Vacancies were held in the commissioning business unit due to a national restructure across the Integrated Care Systems (ICS) in England; and following a restructure in the systems team where there were vacancies which have largely been recruited to. There is an expectation that these vacancies will be filled next financial year.
43. The division has posts that are joint funded by the council and Integrated Care Board (ICB), and further integration is progressing positively with the expectation of the Place Executive Lead for Southwark within the revised joint post starting in June 2024.
44. The division continues to implement the Southwark Residential Care Charter and is using the Southwark supplement to support payments for the workforce in relation to London Living Wage, Occupational Sick Pay, and other benefits. Implementation within the borough's care home sector means that already about 75% of our care home workforce are benefitting from this policy.

Education

45. Education services closed the year with an unfavourable variance. Home to school transport remains the key driver for financial pressures in the education

general fund. While home to school transport is still a key pressure area for the service there has been a reduction in expenditure in comparison to previous years which can be attributable savings and mitigating activities such as the promotion of direct payments and implementation of independent travel training lead. The service is planning to continue with these initiatives in order to further mitigate pressure on the budget.

46. In addition, the Special Education Needs and Disability (SEND) strategy is expected to develop in-borough provision which would reduce the number of children requiring transport out of the borough. These actions sit within a wider review of SEND and strategic work to better manage costs and demand for SEND provision.

Dedicated School Grant

47. The ring-fenced Dedicated Schools Grant (DSG) achieved a favourable outturn of £1.98m which is mainly due to an improved position on the high needs block against the forecast. Despite this year's favourable outturn, the High Needs Block remains the main risk area for the DSG as this area has seen an averaged increased expenditure of 6% over the last 5 years. It is expected that the achievement of long-term sustainability and continued in year balanced position will be affected by the fluctuations in demand for EHCP's as this is a highly demand led service area. In particular, through commissioning work focused on reducing reliance on Independent Non-Maintained Special Schools and focusing on establishing 16-25 pathways to achieve better outcomes for young people.
48. In order to manage the accumulated DSG deficit on the council's balance sheet, the service entered the Department of Education's (DfE) Safety Valve programme. The DfE programme was established by government in recognition of their historic underfunding of need. Key to this programme is the agreement to ensure an in year balanced position within the timeframes agreed. In exchange, the DfE provides additional funding to eliminate the accumulated deficit on the council's balance sheet. The council received £3.8m from the DfE by the end of 2023-24, bringing the accumulated deficit to £9m on the balance sheet. The achievement of future key milestones will be very challenging and will mean all aspects of the service provision will need to be reviewed. The service, in conjunction with the High Needs sub-group of the School's Forum, HR, finance and commissioning have developed detailed action plans which underpin recovery. There is oversight of this work by strategic directors, and political oversight by the Deputy Leader.
49. There is also a continuing concern about the financial position of the council's maintained schools. This is mainly due to the continued falling roles that has been experienced across all London boroughs. Due to the close link between pupil numbers and the funding schools, a number of maintained schools are experiencing financial difficulties. The council's Keeping Education Strong strategy has been working towards right sizing the school estate. This strategy has led to pupil admission reductions, amalgamations, mergers and school closures to ensure provision matches need and is sustainable.

Public Health

50. The Public Health ring fenced grant has achieved a favourable outturn for 2023-24. This was transferred into the Public Health Reserve to provide a reserve to deal with future financial uncertainties. The service has benefited from the released Greater London Authority (GLA) funding for key stage two KS2 meals for the 2023-24 academic year. This released funding has been used and earmarked for future use for specific projects to support families with the cost of living crisis, including the introduction of a targeted secondary school meal offer for 2 academic years, continuation of Holiday Food and Fun initiatives as well as additional school based nursery food support.
51. The public health grant is a ring-fenced grant paid to local authorities from the Department for Health and Social Care (DHSC). It is used to provide preventative and early help services aimed at improving health and wellbeing in the borough through evidence based interventions. This includes commissioning drug and alcohol services, children's health services, sexual health services, smoking cessation, preventive cardiovascular health checks, exercise on referral and weight management services as well as gathering, analysing and interpreting information that influences the decisions made by public health, the council and the NHS. The grant also covers delivery of a large policy portfolio, providing strategic advice and guidance on matters relating to health and wellbeing, from suicide prevention through to sexual and reproductive health, mental health and wellbeing, tobacco control, immunisation and screening, health protection and healthy places (regeneration, transport systems, urban planning, culture & leisure).
52. The current cost of living crisis is having wide-ranging negative impacts on mental and physical health and well-being. Public health plays a vital role in mitigating these effects. Initiatives include introducing free targeted secondary school meals, building on the successful free healthy primary school meal offer, an extensive holiday activity and food programme and outreach health promotion activities including programmes to increase HIV diagnosis and take up of cancer screening and vaccinations.

ENVIRONMENT, NEIGHBOURHOODS AND GROWTH

53. The reported outturn for the Environment, Neighbourhoods and Growth department is an adverse variance of £0.25m after a net transfer from reserves. This represents a favourable movement of £1m from month 8 reporting. This is due to a number of "one-off" favourable movements:
- Various departmental underspends due to vacancies and other smaller underspends against operational budgets
 - Net favourable compensation payments received from a legacy case within the leisure division.
 - Additional income from various services within the department.

54. The overspend in 'No Recourse to Public Funds' (NRPF) budgets of £1.6m, have been partially offset by additional income from various services within the environment directorate, underspends against service budgets within the leisure directorate as well as a "one-off" compensation payments and other minor variances.
55. The revised budget reflects the approved structure changes that resulted from 'Planning & Growth' and 'Local Economy' team transferring into the finance department.

Environment

56. The directorate is reporting a favourable outturn variance of £0.31m (down £0.7m from month 8) due to additional costs from ill-health retirement and additional bad debt provisions in the waste and cleansing division and after net transfers to reserves of income received in advance for private rented service licenses and transfers into the ring-fenced streets for people reserve account (which has restrictions on spending).

Leisure

57. The directorate is reporting a £1m favourable outturn position (£0.8m improvement on the month 8 position) mainly due to underspends against operational budgets as well as a significant "one-off" compensation payment received. It had been previously flagged that due to the transitory nature of the leisure centre insourcing programme, the outturn position is likely to be volatile, however, this favourable movement helps to support the wider departmental position.

Stronger Neighbourhoods

58. The directorate is currently reporting an adverse variance of £1.6m (a £0.1m adverse movement from month 8) mainly arising from the impact of the cost of living crisis on individuals and families subject to 'no recourse to public funds' (NRPF) which has increased demand for support, resulting in significant increases in client payments and accommodation costs. It is worth noting, the NRPF overspend is a national trend and recent data from the NRPF network shows a 10% increase in the number of cases and a 22% increase in spend due to cost of living pressures which is particularly acute in London.
59. Additional funding was secured as part of the 2024-25 budget cycle, which covers 44% of the reported extra cost. Officers intend to engage in a deep dive service review to identify further opportunities to manage down costs.

Climate Change & Sustainability

60. The directorate is currently reporting a small underspend after allowing for bad debt provisions of £13k.

Planned movement in Reserves

61. The main movements in reserves include a drawn down of £4.7m from reserves in 2023-24 to cover the leisure services mobilisation costs and the “Fairer Greener Safer streets”, together with other smaller priority projects costs. A new reserve is being setup for the private rented service license’ fees which are received in advance and to be drawn down over a 5 year period to cover the costs of providing this service. The reserve is currently estimated to total £6.45m by the year end. The department expects to top up the ‘Highways Transformation’ reserve by £6.8m to ensure adequate provisions are built up to deliver the council’s transport related strategies, including “streets for people”.

PLANNING & GROWTH

Overview

62. The draft outturn for the Planning and Growth directorate is a very small overspend (after a proposed drawdown from reserves of £0.75m, as well as the creation of new reserves totaling £6.5m covering S106/CIL funding for both the planning and local economy team). This represents a favourable movement of £0.75m from month 8 and is due to the allocation of S106/CIL funding received in prior years to cover allowable expenditure. Key variances before allocation are as followings:
- Shortfall in commercial income due to voids and vacant possession £720k
 - Legal costs for public enquiry of the New City Court case, as well as a shortfall in planning income.
63. The revised budget reflects the approved structure changes that resulted in the ‘Planning and Growth’ and the ‘Local Economy’ team transferred into the finance department.

Planning and Growth

64. The directorate is currently reporting a breakeven position, an improvement of £0.8m on the month 8 position. This is mainly due to additional cost recovery from S106/CIL, capital projects, operational underspends, as well as drawdown from reserves for the public enquiry costs of the New City Court case. The directorate will be transferring the balance of its S106/CIL admin funding to an earmarked reserve.

Local Economy

65. The directorate is currently reporting a nil variance and will be transferring its S106 funding for employment initiatives to an earmarked reserve.

Planned movement in Reserves

66. The directorate will be setting up two new reserves, the first one for the local economy team to hold the S106 employment funding received in prior years and earmarked for such initiatives. The current carry forward for this reserve will be £5.5m. The second reserve will be for the S106/CIL planning admin funding and totals £0.95m.

STRATEGY & COMMUNITIES

Overview

67. The Strategy and Communities department is currently forecasting a balanced outturn position for 2023-24. This is after planned drawdowns from relevant reserves of £235k.
68. The department has managed to fund the majority of the additional priority activities mainly from underspends against the departments salary budgets and a small drawdown from its reserves, as it continues to recruit to the new posts created as part of its restructure.

Planned movement in Reserves

69. The directorate plans to draw down £19k from its capacity building reserve to fund a small proportion of the one-off work on Southwark 2030, the Future Southwark team and other corporate change delivery work, after covering the majority of this work from operational budget underspends, leaving a balance of £2.2m to be carried forward to 2024-25 to fund all corporate change delivery work going forward, as the department completes its current recruitment drive and restructure.
70. In addition, £215.8k will be drawn down from the Voluntary Sector Small Grant Support Scheme reserve to cover Grant awards, leaving a balance of £175.5k to be carried forward to 2024-25.

HOUSING GENERAL FUND OUTTURN 2023-24

Overview

71. The outturn for 2023-24 shows an unfavourable variance of £3.3m (gross) and £3.1m net of planned reserve movements. This is primarily caused by the continuing budget pressure in homelessness, offset by positive variations elsewhere across the department.

Asset Management - Private Sector Building Safety

72. The Private Sector Building Safety Programme was established during 2021 to undertake inspections and enforcement on high rise residential blocks with specific focus on Aluminium Composite Material (ACM) cladding. Subsequently, the scope of the programme has increased to non-ACM high-

rise buildings as more onerous legislative building safety requirements have been introduced, including enforcement action on private sector landlords. Funding is through a combination of base budget and grant funding from the Department for Levelling Up, Housing and Communities (DLUHC). Residual in-year grant funding is being carried forward as a reserve to meet future programme commitments, without the need for any additional base budget commitment.

Resident Services – Hostel Accommodation and Support and Travellers Sites

73. In April 2023, the council in-sourced three hostels previously run by external providers, with the resident services division assuming operational and management responsibility. Given full occupation, rents and service charge income should broadly cover the operational costs, however, void loss was higher than budgeted for and under the inter-departmental agreement with Children's and Adult Services (CAS), budget shortfalls are underwritten (£63k). Measures to minimise void loss going forward have been agreed and implemented.
74. The council operates four traveller's sites, one of which is currently vacant pending refurbishment works. This along with a long-term staff vacancy and reduction in provision has contributed to the lower costs this year.

Resident Services - Temporary Accommodation and Housing Solutions

75. Homeless approaches and acceptances had remained relatively stable over the first half of the year to September, but the caseload has risen steadily since then. Supply-side scarcity and increased charge rates account for the increase in costs to £3.8m, net of reserve funding (£560k), to provide additional capacity to meet demand and increase throughput. There has been a noticeable rise in providers exiting the private rental market in response to declining financial returns and a shift towards more expensive nightly-paid agreements, over which the council has little control if it wishes to retain supply.
76. No effective controls exist to regulate rents in the private sector and with restrictions placed on Local Housing Allowance (LHA) rates for council supply, this will inevitably increase demand for local authority provision, which is also being exacerbated by Home Office asylum cases. However, as part of the Autumn Statement (22 November 2023), the Chancellor announced a welcomed uplift in private sector LHA rates, which should help increase private sector discharge rates and allow the service to focus more on prevention. The mitigations in place are detailed in appendix B to this report.

FINANCE

77. The Finance department comprises of finance and exchequer services, technology and digital services (TDS), with a move during the year for the planning and growth and local economy teams. Overall, the department is projecting an adverse variance of £2.2m, after an expected contribution of

£3.3m from the cost of living reserve. The main pressure is in the customer services department due to a significant increase in administrative burdens and technology and digital services.

Technology and Digital Services (TDS)

78. The Technology and Digital Service remains committed to providing the essential tools, capabilities, and infrastructure to ensure that all residents can access digital technology and reap its numerous benefits.
79. Operational delivery of IT infrastructure and support services is managed through a collaborative agreement with the London Borough of Brent and Lewisham, forming the Shared Technology Service (STS). The tech landscape presents several challenges, including the risk of cyberattacks and data breaches, which could result in financial and reputational harm. This necessitates ongoing investment in and implementation of cybersecurity measures. The shift towards cloud computing offers improved security and other advantages such as the flexibility and scalability needed to meet the council's evolving requirements. Additional significant efforts include the creation of data platforms that enhance service delivery to residents by fostering more integrated and informed approaches, thereby elevating the quality of life for the community. The service continues to offer technological and digital support, alongside strategic business partnering advice, to all council departments, facilitating efficient service provision and business improvements aligned with the five key pillars outlined in the Technology and Digital Strategy for 2024-2026.
80. In terms of finances, the TDS's costs exceeded the budget by £490k, a rise from the previous month 8 forecast of £336k. While efforts are made to keep expenses within the budget, the rapid pace of technological evolution can lead to unforeseen costs, such as the need for specialised skills and expertise to complement Southwark's workforce. Other financial pressures stem from the rising costs of technology due to an increase in users.

GOVERNANCE AND ASSURANCE

81. The Governance and Assurance department comprises of Legal and Governance services, Human Resources (HR) and Corporate Facilities Management (CFM). Overall, this is showing a positive variance of £122k.
82. Corporate Facilities Management (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 alike. This is the first full year of the outsourced FM contract, which did deliver a cost saving on like for like services albeit that the contract mobilisation and asset verification process did result in a contract variation of £1.1m over four years. Alongside the outsourced FM contract, CFM delivered a full year of insourced cleaning to both the Tooley Street and the Queens Road sites. The nature of cleaning services are such that it is necessary to engage additional agency support to supplement staff directly employed which together with

shortfalls in certain key management roles has seen the CFM employees budget come under pressure.

83. In 2023-24 there was also significant pressure on utilities budgets of circa £1m which has been mitigated corporately through a one-off budget virement. Gas and electricity costs do fluctuate and while they are expected to fall in 2024-25, the budget is likely to require further support going forward.
84. However, CFM no longer faces significant pressures as a result of providing additional Covid related services and has successfully delivered a full capital programme generating fees in excess of those planned, which with other variances, both favourable and adverse and a reduction in the day to day cost of FM has seen the service deliver a positive budget variance of £308k.
85. HR, governance and assurance are showing an adverse variance of £185k on staffing costs after the application of application of reserves, including the HR transformation reserve, which has been established to support the costs associated with moving to a new HR model.

CONTINGENCY AND RESERVES

86. The £4m contingency budget has been utilised to offset in-year budget pressures, together with £1.4m from earmarked risk reserves

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

87. This is the budget outturn report for 2023-24 that monitors expenditure on council services, compared to the planned general fund budget agreed in February 2023, and HRA budget agreed in January 2023. Although as an outturn 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

88. There are no climate change implications arising directly from this report, which provides the revenue outturn position for 2023-24.

Resource implications

89. This report is the outturn report which details the budgetary outcomes in 2023-

Consultation

90. No consultation has taken place as this report details the 2023-24 revenue budget outturn.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Assistant Chief Executive (Governance and Assurance) (NBC 16.05.2024)

91. Section 151 of the Local Government Act 1972 requires the Council to make such arrangements for the proper administration of their financial affairs. In addition, Section 25 of the Local Government Act 2003 requires the chief finance officer to report on the robustness of the estimates made and the adequacy of the proposed financial reserves in the budget calculations.
92. Section 28 of the Local Government Act 2003 imposes a duty on the council to monitor its budgets throughout the financial year. The council must take necessary appropriate action to deal with any deterioration in the financial position revealed by the review. This report sets out the current situation regarding the general fund capital programme indicating that the costs can be contained within the current funding envelope. It also sets out the position regarding the housing investment programme.
93. Section 114 of the Local Government Finance Act 1988 requires the chief finance officer to report if there is or is likely to be unlawful expenditure or an unbalanced budget.
94. The keeping of the Housing Revenue Account (HRA) is governed by Schedule 4 of the Local Government and Housing Act 1989. On 10 November 2020, the Ministry of Housing, Communities and Local Government (MHCLG) published guidance on the operation of the ring-fenced HRA account. The guidance updated and replaced previous guidance and the Council should adhere to such guidance in relation to the HRA.
95. Section 76 of the Local Government and Housing Act 1989 requires the Council to prevent debit balances on the Housing Revenue Account. 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.
96. Decisions regarding the strategic aspects of the regulation and control of the council's finances are reserved to the cabinet in accordance with Part 3B of the constitution. This part refers to the cabinet having responsibility for the "council's revenue and capital budgets, including the housing revenue account, ensuring effective financial control and the achievement of value for money, within the provisions of financial standing orders. The Financial Standing Orders require the chief finance officer to report on the overall financial position of the council and on capital expenditure incurred by the council to the cabinet on a regular basis.
97. 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.

98. Cabinet needs to take account of this duty in considering this report.

99. The Community, equalities (including socio-economic) and health impacts section above indicates that whilst 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.

100. The public sector equality duty is a continuing duty and will need to be taken account of in any processes to mitigate budget pressures.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

APPENDICES

No.	Title
Appendix 1	Interdepartmental budget movements to be approved

AUDIT TRAIL

Cabinet Member	Councillor Stephanie Cryan, Equalities, Democracy and Finance	
Lead Officer	Clive Palfreyman, Strategic Director of Finance	
Report Author	Tim Jones, Director of Corporate Finance.	
Version	Final	
Dated	3 July 2024	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Assistant Chief Executive, Governance and Assurance	Yes	Yes
Strategic Director, Finance	N/a	N/a
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team	3 July 2024	

Appendix 1 - Interdepartmental Budget Movements months 9 to 12 2023-24

Interdepartmental movements to be approved months 9 to 12 2023-24

	Department From	Amount £	Department to	Amount £	Description of the budget movement
Approve	Governance and Assurance	(325,023)	Housing - General Fund	86,890	Allocation of centrally held budget for vacant posts
			Finance	238,133	
Approve	Strategic Finance	(10,718,505)	Children and Adults	3,548,864	Pay Award 2023-24
			Housing - General Fund	468,411	
			Environment Neighbourhoods and Growth	4,681,061	
			Governance and Assurance	743,827	
Approve	Children and Adults Housing - General Fund Governance and Assurance Support Costs	(190,434) (299,609) (7,796) (946,811)	Environment Neighbourhoods and Growth	904,355	Support Cost Reallocations
			Strategy and Communities	265,103	
			Finance	269,444	
			Strategic Finance	5,748	
Approve	Finance	(5,831,632)	Environment Neighbourhoods and Growth	5,410,870	Transfer of Planning services
			Governance and Assurance	24,000	
			Strategic Finance	396,762	
Approve	Strategic Finance	(10,194,543)	Children and Adults	3,915,172	Address shortfall in superannuation budgets
			Housing - General Fund	520,825	
			Environment Neighbourhoods and Growth	2,626,200	
			Strategy and Communities	174,060	
			Governance and Assurance	880,804	
Approve	Strategic Finance	(968,339)	Governance and Assurance	968,339	Facilities Management Utility Budgets Adjustment
Approve	Housing - General Fund Strategic Finance	(5,091) (3,022,632)	Children and Adults	158,087	Depreciation
			Environment Neighbourhoods and Growth	993,294	
			Governance and Assurance	668,021	
			Finance	1,208,321	
Approve	Strategic Finance	(409,598)	Environment Neighbourhoods and Growth	409,598	Flood Grant
Approve	Environment Neighbourhoods and Growth	(1,664,804)	Finance	1,664,804	Transfer of Local Economy Team

Interdepartmental movements to be noted months 9 to 12 2023-24

	Department From	Amount £	Department to	Amount £	Description of the budget movement
Note	Environment Neighbourhoods and Growth	(200,000)	Strategy and Communities	200,000	Transfer of budgets following reorganisation
Note	Housing - General Fund	(21,264)	Children and Adults	21,264	Provision of statutory engineering inspections for schools
Note	Strategy and Communities	(58,091)	Governance and Assurance	58,091	Transfer budget for one post
Note	Finance	(130,649)	Governance and Assurance	130,649	2022-23 salary inflation
Note	Finance	(18,977)	Strategic Finance	18,977	2023-24 salary inflation
Note	Environment Neighbourhoods and Growth	(144,259)	Children and Adults	144,259	Transfer safeguarding boards
Note	Environment Neighbourhoods and Growth	(150,000)	Strategy and Communities	150,000	Transfer budget for civic leadership programme
Note	Governance and Assurance	(19,236)	Finance	19,236	Allocating employer's pension contributions

Meeting name:	Cabinet
Date:	22 July 2024
Report title:	Housing Department Senior Management Structure
Cabinet Member:	Councillor Helen Dennis, New Homes and Sustainable Development
Ward(s) or groups affected:	All
Classification:	Open

FOREWORD: COUNCILLOR HELEN DENNIS, CABINET MEMBER FOR NEW HOMES AND SUSTAINABLE DEVELOPMENT

An affordable, decent home is the foundation for a good life – essential for health, stable work and education. Having a good home is the starting point for everything. Without a stable and safe home, children can’t stay at school with their friends, families can’t hold down steady jobs, and people suffer ill health. Housing is consistently raised by residents as their most important issue and be a key strand of our Southwark 2030 plan.

The current housing crisis is hitting people hard and far too many people in Southwark and across London lack a good home, with too many people living in overcrowded properties, paying excessive rents to private landlords or facing homelessness. It is a scandal that 1 in 23 children in the capital is now living in temporary accommodation, and tackling this issue must be at the forefront of any new government agenda.

In Southwark, we are committed to using our powers and resources to most effectively play our part in addressing the housing crisis and to work hand in hand with residents to transform housing in our borough. As the biggest council landlord in London, managing 55,000 properties, we have a significant role to play in ensuring that our residents have decent, safe and well-maintained homes, and with over 17,500 people on our waiting list, we need to ensure we are responding to housing need, through building new homes and managing allocations in a way that is fair and transparent.

The proposals in this report are designed to enable the delivery of these objectives by ensuring the council’s housing department benefits from the best possible leadership structure and team and in particular these proposals will increase the capacity within resident services and housing solutions to deliver services strategically and effectively.

RECOMMENDATIONS

Recommendations for the Cabinet

1. That the Cabinet note the creation of a new Director of Housing Needs and Support.
2. That the Cabinet note the deletion of an existing, vacant senior management post, the Director of Major Estates, meaning the creation of the new director post is not an additional cost.
3. That the Cabinet note the proposal to create a new Assistant Director of Planned Maintenance.
4. That the Cabinet note the proposal to delete an existing senior management post, Senior Strategic Business Manager, meaning the creation of the new Assistant Director post is largely offset by the saving achieved from deleting the Senior Strategic Business Manager post.
5. That the Cabinet note the proposals in this report directly affect a small number of employees and are therefore subject to consultation with those employees and their trade union representatives.
6. That the Cabinet delegate authority to the Strategic Director of Housing, to finalise and implement the proposed changes once consultation with directly affected employees and their trade union representatives has been completed and all consultation responses have been taken into account

REASONS FOR RECOMMENDATIONS

7. The recommendations in this report are intended to ensure the housing department has the necessary leadership capacity and capability to achieve the council's ambition of decent homes for all.
8. Southwark continues to have one of the largest council house building programmes in the country. Of 2,234 council homes started nationally in 2021-22, 897 were in Southwark, more than double the number delivered by the next largest council home builder, Haringey.
9. Furthermore, Southwark is the largest council landlord in London, and the fourth largest in the country, with responsibility for some 55,000 homes.
10. Our Southwark 2030 housing goal is to deliver decent homes for all our residents. This includes our intention to improve the standards of council, social and private-rented homes; increase the number of genuinely affordable homes; and reduce the number of people who are homeless or living in overcrowded accommodation.

11. The council is working with residents to transform the borough's housing, putting residents at the heart of all our decisions and investing £1 billion over the next decade to ensure that everyone has a good home.

ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

12. The council could maintain its existing senior management structure. However, this would adversely impact on the council's work to ensure that everyone lives in a safe and well-maintained home. Therefore, this option is not recommended.

POST DECISION IMPLEMENTATION

13. Subject to Cabinet approval of the recommendations in this report, the timeline for implementation will run as follows:

Key activity	Target completion date
Consultation with directly affected employees and their trade union representatives	commenced on 08 July 2024 and anticipated to conclude on 31 July 2024
Strategic Director of Housing to finalise the proposed changes, ensuring all consultation responses are taken into account	31 July 2024
Appointment to new posts	October 2024 onwards

BACKGROUND INFORMATION

14. Housing services across the country are under intense pressure and scrutiny – not least because of the new powers assigned to the Regulator for Social Housing, the Housing Ombudsman and the Building Safety Regulator. The impact of these changes is magnified in Southwark given the scale and range of the council's housing stock, which includes Victorian tenement buildings, 19th century terraced houses and 1960s tower blocks.
15. The council's new Strategic Director of Housing, Hakeem Osinaike, has completed a review of senior management capacity and capability within the housing department. His findings have resulted in the proposals set out in this report.

KEY ISSUES FOR CONSIDERATION

Creation of a Director of Housing Needs and Support

16. Approximately 3,000 households in Southwark become homeless every year, and the borough now has the sixth largest rough sleeping population in London. The creation of a Director of Housing Needs and Support is required to lead the council's response to these significant challenges. The new director will be responsible for:

- leading the council's approach to tackling homelessness, including preventing households from becoming homeless
 - strengthening cross-sector partnerships and collaboration, especially with the largest housing associations in Southwark
 - developing a whole-system approach to the design and delivery of the council's housing strategy and Housing Revenue Account (HRA) business plan
 - advising the leader, cabinet members, chief executive and senior officers on all matters associated with homelessness and the council's housing strategy.
17. The cost of this new post will be offset by the deletion of an existing, vacant senior management post, the Director of Major Estates. This role was initially established to lead the development of proposals for the Ledbury Estate. In addition, the former postholder also played a significant role in relation to both Tustin and Sceaux Gardens estates. However, this post – now vacant – is no longer required because responsibility for the regeneration of these estates, and the Aylesbury Estate, has been assigned to the Managing Director of Southwark Construction.
18. In addition, the creation of a Director of Housing Needs and Support will increase the strategic capacity in Resident Services by enabling the director of that function to focus solely on the council's landlord services.

Creation of a new Assistant Director of Planned Maintenance

19. The Asset Management directorate has responsibility for maintaining the council's housing stock, which includes compliance with all relevant health and safety standards, including those set out in the Building Safety Act 2022 and by the relevant regulatory bodies. In addition, the Asset Management directorate is responsible for an extensive programme of planned maintenance and investment valued at c.£100m per annum.
20. Cabinet has previously agreed to strengthen leadership capacity and capability in the Asset Management directorate through the creation of an Assistant Director of Building Safety (December 2021) and an Assistant Director of Repairs (December 2023). The Strategic Director of Housing has identified a requirement to establish a further senior management post, Assistant Director of Planned Maintenance. This role will be responsible for delivering the council's complex housing investment programme, which is almost unprecedented in its scale and scope.
21. To ensure there is clarity about the respective role and responsibilities of each assistant director in Asset Management, new job descriptions will be prepared for all three posts (the Assistant Directors of Building Safety, Repairs and Planned Maintenance). Implementation of these job descriptions will be managed in line with the council's agreed HR policies and procedures. This will include consultation with directly affected employees and their trade union representatives.

22. The cost of creating the new Assistant Director of Planned Maintenance will be largely offset by the deletion of the Senior Strategic Business Manager post. This role will no longer be required once the senior management changes outlined in this report have been implemented.

Policy Framework Implications

23. This report refers to essential changes to the council's housing senior management structure. The proposed changes are to reach Southwark's 2030 housing goal. This report has highlighted the following key points:
- I. Southwark 2030 housing goal is to deliver decent homes for all Southwark's residents. This includes the collaborative intention to improve the standards of council, social and private-rented homes; increase the number of genuinely affordable homes; and reduce the number of people who are homeless or living in overcrowded accommodation.
 - II. Southwark continues to have one of the largest council house building programmes in the country. Southwark is the largest council landlord in London, and the fourth largest in the country, with responsibility for some 55,000 homes.
24. All relevant legislations to enable Southwark 2030 housing goal to be delivered will be followed such as the following:
1. Local Government Act 1972
 2. Access to Information Act 1985
 3. Local Government and Housing Act 1989
 4. Urban Development Act 1993
 5. Local Government Act 2000
 6. Employment Act 2002
 7. Equalities Act 2010
 8. Trade Union Act 2016
 9. Building Safety Act 2022
 10. Social Housing (Regulation) Act 2023

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

Community impact statement

25. The proposals in this report are intended to ensure the housing department has the necessary leadership capacity and capability to achieve the council's ambition of decent homes for all.

Equalities (including socio-economic) impact statement

26. Under section 149 of the Equality Act 2010, the council has a duty when exercising its functions to have due regard to:
- the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010

- the need to advance equality of opportunity between persons who share protected characteristics and those who do not
 - the need to foster good relations between those who have protected characteristics and those who do not.
27. The protected characteristics are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity status, race, religion or belief, sex and sexual orientation.
28. The proposals in this report are not anticipated to adversely impact on any of the duties defined in the Equality Act 2010.

Health impact statement

29. There are no significant health implications arising from the proposals in this report.

Climate change implications

30. There are no significant climate change implications arising from the proposals in this report.

Resource implications

31. Subject to cabinet approval, the proposals in this report will be implemented in line with the council's agreed HR policies and procedures.

Legal implications

32. Under the council's constitution, cabinet is responsible for making any decisions regarding the strategic management of the council, including decisions on major reorganisations, major reallocations of functions between departments or chief officers, and the creation of posts at grade 17 or above.
33. Subject to the outcome of the council's job evaluation process, the two new posts that are the subject of this report are expected to be graded as follows:
- Director of Housing Needs and Support: grade 18
 - Assistant Director of Planned Maintenance: grade 17

Financial implications

34. The cost of creating a new Director of Housing Needs and Support is offset by the saving achieved from deleting the vacant Director of Major Estates post.
35. The cost of creating a new Assistant Director of Planned Maintenance is largely offset by the saving achieved from deleting the Senior Strategic Business Manager post.

Consultation

36. The proposals in this report directly affect a small number of employees. As a result, these changes are subject to consultation with affected employees and their trade union representatives.
37. Consultation will be undertaken in line with the council's agreed HR policies and procedures.

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

38. A response from the Head of Procurement is not required.

Assistant Chief Executive, Governance and Assurance

39. There are no specific legal implications arising from the recommendations in this report. The Assistant Chief Executive – Governance and Assurance will continue to provide advice to officers on any legal and governance issues arising during the implementation timetable set out at paragraph 13.

Strategic Director, Finance – REF: [H&M 24/013]

40. This report seeks cabinet approval of the proposed changes outlined in the body of the report.
41. The new Director of Housing Needs and Support post covers both Housing Revenue Account (HRA) and General Fund activities and will be jointly funded. The funding proportion is to be determined, but is provisionally estimated to be 70:30 in favour of the Housing General Fund, the cost of which will need to be met from the existing budget allocation. Any marginal costs arising from these proposals impacting the HRA will also need to be contained within the 2024-25 HRA cash limit for Asset Management as set out in the HRA Budget Recovery Plan.
42. While the council will seek to avoid any redundancies being made as a result of these changes, the costs associated with any redundancy will result in a charge against the central HRA provision for redundancy & severance.

Other Officers

43. There are none.

REASONS FOR URGENCY

44. There are none.

REASONS FOR LATENESS

45. There are none.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Employment Act 2002 Link: https://www.legislation.gov.uk/ukpga/2002/22/contents	Governance and Assurance, 2 nd Floor, Hub 3, 160 Tooley Street, London, SE1 2QH	Oluwatosin Apata 020 7525 4947
Equalities Act 2010 Link: https://www.legislation.gov.uk/ukpga/2010/15/contents	Governance and Assurance, 2 nd Floor, Hub 3, 160 Tooley Street, London, SE1 2QH	Oluwatosin Apata 020 7525 4947
Trade Union Act 2016 Link: https://www.legislation.gov.uk/ukpga/2016/15/contents	Governance and Assurance, 2 nd Floor, Hub 3, 160 Tooley Street, London, SE1 2QH	Oluwatosin Apata 020 7525 4947
Social Housing (Regulation) Act 2023 Link: https://www.legislation.gov.uk/ukpga/2023/36/contents	Governance and Assurance, 2 nd Floor, Hub 3, 160 Tooley Street, London, SE1 2QH	Oluwatosin Apata 020 7525 4947
Southwark Council's Constitution – 23 May 2024 Link: (https://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=425&MId=8048&Ver=4&Info=1)	Governance and Assurance, 2 nd Floor, Hub 3, 160 Tooley Street, London, SE1 2QH	Oluwatosin Apata 020 7525 4947

APPENDICES

No.	Title
None	

AUDIT TRAIL

Cabinet Member	Councillor Helen Dennis, New Homes and Sustainable Development	
Lead Officer	Hakeem Osinaike, Strategic Director of Housing	
Report Authors	Hakeem Osinaike, Strategic Director of Housing Oluwatosin Apata, Strategic HR Business Partner	
Version	Final	
Dated	10 July 2024	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Assistant Chief Executive, Governance and Assurance	Yes	Yes
List other officers here	N/a	N/a
Strategic Director, Finance	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team		10 July 2024

Meeting Name:	Cabinet
Date:	22 July 2024
Report title:	Borough Generic Emergency Plan and Corporate Business Continuity Plans 2024
Cabinet Member:	Councillor Kieron Williams, Leader of the Council
Ward(s) or groups affected:	All
Classification:	Open
Reason for lateness (if applicable):	N/a

FOREWORD - COUNCILLOR KIERON WILLIAM, 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 outlined in the generic plan has been used to good effect to support the boroughs response to all of the significant emergency incidents that have impacted the borough in recent years.

Whilst exceptional events, such as our response to Covid and the council's actions following the death and funeral of HM Queen Elizabeth II, have influenced our thinking we still have to maintain preparedness to the broad range of other incidents that have the potential to harm the borough.

As we move forward together as a community the lessons learned by ourselves and other organisations will further shape and develop the generic emergency plans. Protecting our local community and keeping residents, businesses and all those who visit our borough safe is a priority, it's included as one of our 2030 ambitions and is a basic moral duty that together we will always put first. Reviewing and consistently improving our emergency plans remains key to that obligation.

I am therefore asking the cabinet, after consideration of the officers' report set out from paragraph 1 onwards, to approve the recommendations below.

RECOMMENDATIONS

Recommendations for the Cabinet

1. Agrees the annual review of the generic borough emergency plan with the understanding that further lessons from incidents and exercises 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 resilience standards and approach, including any ongoing arrangements resulting from the review of the national COVID-19 response and other enquires such as phase two of the Grenfell enquiry.

REASONS FOR RECOMMENDATIONS

4. 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.
5. To ensure both confidence and understanding of the council's emergency arrangements its generic emergency plan is submitted for council approval on an annual basis. This maintains awareness of any new developments and assurance that our plans remain robust and fit for purpose.

ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

6. No alternative options considered. As a category 1 responder we have a statutory duty to identify risks and to plan for those risks.

POST DECISION IMPLEMENTATION

7. The plan will continue to provide the framework that is used to manage significant emergency events affecting the borough. The plan will be reviewed again following any activation and in addition will be:
 - i. Amended in the light of London/National recommendations
 - ii. Updated to include identified best practice
 - iii. Tested by exercising using simulated events and tabletop scenarios.

BACKGROUND INFORMATION

8. 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.

9. The generic plan is being presented at this time to ensure that the organisation is satisfied that the annual review and post-incident reviews of the plans and of the supporting plans/handbooks provide assurance that our arrangements are both appropriate and effective.
10. 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 and that it can maintain the delivery of its key services.
11. 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.
12. 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.
13. 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 and within individual departmental business continuity plans.

KEY ISSUES FOR CONSIDERATION

14. 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 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.
15. The emergency plan has been initiated on a small scale on several occasions during the last year but on each occasion full activation has not been required as the incidents were resolved without further mobilisation of resources.
16. The last two full activations of the emergency plan were throughout the different phases of the Covid pandemic and then in September 2022 following the death and subsequent funeral of HM Queen Elizabeth II. During both activations the plan has provided a robust yet flexible framework that has successfully enabled

a council wide coordinated response whilst at the same time supporting the continued delivery of our critical services. Whilst the circumstances of these activations were very different the arrangements were found to stand up well and have been adapted to utilise both in person and remote ways of working whilst maintaining the overall framework.

17. The growing threat of cyber-crime poses significant challenges to the understanding and management of this type of incident. The framework contained within the plan has been used to good effect during both simulated training exercises and in response to a live cyber threat in February 2024. Lessons learned from training and cyber events will be incorporated into the plan.
18. The purpose of cabinet agreeing the 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.
19. Agreeing the plan will enable the council to effectively deploy its resources to mitigate the effect of any incident, maintain key services and facilitate the return to normality for local residents, businesses and the community more generally.
20. 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).
21. 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

Policy framework implications

22. Southwark 2030 ambitions underpin the core values of our developing Borough Plan looking toward 2030 to support the vision to build a better future for the people of Southwark by delivering quality affordable homes, improving our neighborhoods, tackling the climate emergency and strengthening our local economy. 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 in Southwark can feel and be safe in their homes and work.
23. The value of having a clear emergency framework that is both straightforward in its approach yet robust enough to be applied in all circumstances has been demonstrated by its continued use and development. However it must remain subject to constant review and challenge to ensure we continually keep pace with developing and new risks.

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

Community impact statement

24. 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). 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.
25. During an emergency incident vulnerable people may be less able to help themselves than self-reliant people. Those who are vulnerable will vary depending on the nature of the emergency and some will become vulnerable because of the emergency. The generic plan, supported by the specific emergency handbooks all prioritise the care of the vulnerable during an emergency.

Equalities (including socio-economic) impact statement

26. As with other plans and strategies, the council will give due consideration to the Public Sector Equality Duty as a positive duty to in assessing our local emergency planning response arrangements. For example, in setting up Humanitarian Assistance Centre (and other such Centre's) 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).

Health impact statement

27. There are no direct health impacts from the continued implementation of the generic emergency plan. However, should there not be a generic frame work to coordinate the councils response there is the possibility of not supporting the community to the best of our ability and subsequently increasing the risk of detrimental effects as a result.

Climate change implications

28. The approval of the emergency plan has no direct climate change implications. Any actions taken in response to an emergency situation will always have due consideration for climate change implications.

Resource implications

29. 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.

The resources listed above are all in place with no additional financial requirements.

Staffing issues

30. Staff are drawn from across the council to fulfil the roles necessary for the call emergency scheme. Whilst there is a constant movement of those personnel onto and away from the scheme it presents no unique risk to maintaining the overall scheme

Budget issues.

31. Financial reward for the out of hours responses to the majority of incidents will be covered by the on-call allowance that officers receive during their time on St-by. These allowances are drawn from the emergency planning budget. In exceptional and protracted circumstances, it may be necessary for additional staff to fulfil roles. In these occasional circumstances it may be necessary to seek the support of the Strategic director of finance to authorise additional payments drawn from corporate reserves.

Consultation

32. The generic emergency plan has been in place since 2005. It is revised and updated on an annual basis. There are no significant changes to the plan this year, so no further consultation is required.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Assistant Chief Executive, Governance and Assurance

33. Cabinet has the power to make this decision under Part 3C of the constitution. The approval of the Emergency Plan is an item that is considered annually by the Cabinet.
34. 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. The statutory duties in section 2 of the Act require the council to assess, plan and advise in relation to emergencies including providing advice to the public. Regulations and government guidance provide detail on how to perform these duties.
35. The cabinet needs to ensure that the public sector equality duty in section 149 Equality Act 2010 is considered in relation to this report. 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 impact section above.

Strategic Director, Finance

36. The report is requesting that cabinet agree the annual review of the generic borough emergency plan and corporate business continuity plan.
37. 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	Generic emergency plan

AUDIT TRAIL

Cabinet Member	Councillor Kieron Williams. Leader of the Council	
Lead Officer	Stephen Gaskell, Assistant Chief Executive for Strategy and Communities	
Report Author	Andy Snazell, Emergency Planning and Resilience Manager	
Version	Final	
Dated	9 July 2024	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
	Officer Title	Comments Sought
		Comments Included
	Assistant Chief Executive, Governance and Assurance	Yes
	Strategic Director, Finance	Yes
	Cabinet Member	Yes
	Date final report sent to Constitutional Team	9 July 2024

APPENDIX 1

GENERIC EMERGENCY PLAN

LONDON BOROUGH OF SOUTHWARK
Corporate Emergency Handbook #1

CLASSIFICATION:

UNCLASSIFIED

Issue and Review Register

The council's Generic Emergency Plan will be reviewed annually by the Emergency Planning and Resilience Team.

SUMMARY OF CHANGES	ISSUE NUMBER	DATE
New issue	Issue 1	September 2005
General update and inclusion of business continuity information and the community risk register	Issue 2	
General update and inclusion of emergency support officers, mutual aid arrangements, updated mandate and specific contingency plans	Issue 3	August 2006
General review.	Issue 4	January 2008
Change of person details	Issue 5	August 2008
Complete review.	Issue 6	February 2012
Update and review. Addition of emergency scheme information.	Issue 7	February 2014
Update and review. Addition of emergency scheme information.	Issue 8	November 2016
Inclusion of JESIP principles. Updated links and contact details. Deleted command and control diagram	Issue 9	January 2017
Full re-evaluation of the Generic Emergency Plan to align with London EP 2020 and London local Authority Concept of Operations Plan.	Issue 10	July 2018
Addition of Silver handbook. Changes to SCG chair allocation of role.	Issue 11	June 2019
Annual review	Issue 12	January 2020
Review ahead of cabinet, pandemic considerations	Issue 13	June 2020
Annual review	Issue 14	January 2021
Review ahead of cabinet	Issue 15	June 2021
Annual review	Issue 16	January 2022
Review ahead of cabinet	Issue 17	May 2022
Annual Review. Added: business impact assessment, separate information on the role of elected members, Resilience Advisor role, diagram of major incident command structure, detail of different emergency centres, and detail of sub regional arrangements for mutual aid, STAC, staff welfare. Separated Activation and Command and control.	Issue 18	July 2023
Annual review	Issue 19	June 2024

Exercise and Training Schedule

All staff undertaking roles within this plan will receive regular training on their roles. This plan will be exercised annually in accordance with the requirements under the Civil Contingencies Act, and accompanying guidance.

Records of training and exercising will be maintained by the Emergency Planning and Resilience Team.

All queries relating to this document should be directed to the Emergency Planning and Resilience Team, Chief Executives Department.

Telephone: 020 7525 5000

Email: emergency.planning@southwark.gov.uk

Compiled by:

Andy Snazell
Emergency Planning and Resilience Manager

Approved by:

Althea Loderick
Chief Executive

Date:

Contents

1	INTRODUCTION	6
1.1	Aim	6
1.2	Scope	6
2	ROLE OF THE COUNCIL	8
2.1	Civil Contingencies Act	8
2.2	Borough Risks.....	9
2.3	Warning and Informing Arrangements.....	9
2.4	Identification of Vulnerable People	9
2.5	Community Engagement and Cohesion	10
2.6	Role of Elected members	10
2.7	Borough Resilience Forum	11
2.8	Business Continuity Planning and Resilience	11
2.9	Business Impact Assessment.....	12
3	ACTIVATION.....	13
3.1	Procedures for Activation	13
3.2	Triggers for Activation.....	13
3.3	Emergency Response Responsibilities	13
	Emergency Involvement Levels	13
4	COMMAND AND CONTROL	14
4.1	General Command and Control Structure	14
4.2	Southwark Emergency Scheme.....	15
	On-call Arrangements.....	15
	Gold (Strategic).....	15
	Silver (Tactical).....	15
	Local Authority Liaison Officer (LALO).....	16
	Emergency Support Officer (ESO).....	16
	Emergency Centre Manager (ECM)	17
	Resilience Advisor (RA).....	17
4.3	Response Levels.....	17
	Level 1 Response	18

Level 2 Response	18
Level 3 Response	18
4.4 BECC	20
4.5 Emergency Centres	20
4.6 Communications	21
5 LONDON-WIDE ARRANGEMENTS	21
5.1 London Local Authority Gold (LLAG)	21
5.2 London Local Authority Coordination Centre (LLACC).....	21
5.3 Mutual Aid.....	22
5.4 Humanitarian Assistance	22
5.5 Science and Tactical Advice Cell (STAC)	22
5.6 British Red Cross.....	23
6 RECOVERY	24
7 POST INCIDENT	25
7.1 Stand Down Procedure.....	25
7.2 Debriefing	25
7.3 Staff Welfare	25
ANNEX 1 : ACRONYMS	26

1 INTRODUCTION

1.1 Aim

This document details how Southwark Council complies with the Civil Contingencies Act 2004 and sets the council's strategy for dealing with a broad range of incidents.

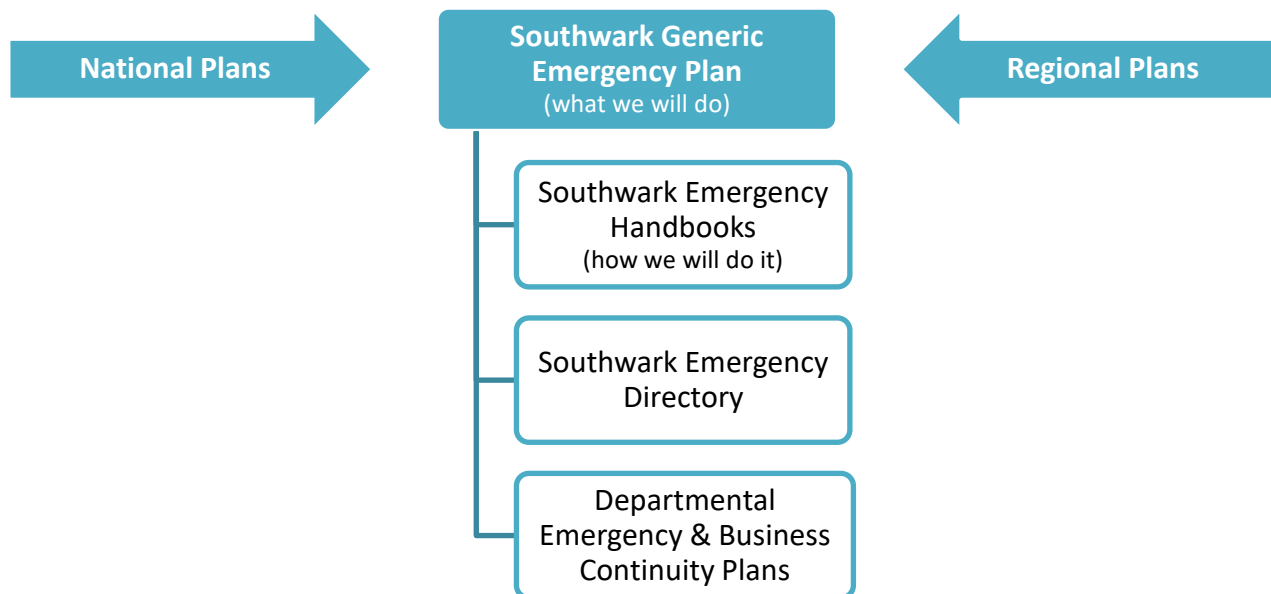
The council has clear legal and moral obligations to provide effective, robust and demonstrable emergency arrangements to mobilise its resources at short notice to deal with a broad range of incidents. This may be on a localised departmental level, where a simple out-of-hours activity is required, or on a much larger scale, where a multi-function response requires dedicated coordination, liaison and communication.

This document explains the structures in place to deal with emergency incidents in the borough that require a council response. The structures outlined in the plan are scalable depending on the nature of the response required.

1.2 Scope

The corporate Generic Emergency Plan is Southwark Council's published plan that brings together existing council Departmental Emergency and Business Continuity Plans, as well as linking with London-wide and national plans.

This document covers the operational requirements for Southwark Council only; and not the emergency arrangements for any other third party organisation, council or emergency service.



Underpinning the Generic Emergency Plan there are a series of internal Southwark Emergency Handbooks. These internal documents (referenced below #1 to #10) cover detailed operational procedures on how the council will respond to an incident, and are complemented by the Emergency Directory. Detailed operational procedures are not captured in the Generic Emergency Plan due to the complexity and occasional sensitive nature of the information contained therein.

GENERIC EMERGENCY PLAN
UNCLASSIFIED

Corporate Handbook #	DOCUMENT
#1	Generic Emergency Plan
#2	Local Authority Liaison Officer (LALO) Handbook
#3	Emergency Centre Manager (ECM) Handbook
#4	Borough Emergency Control Centre (BECC) Handbook
#4a	Borough Emergency Control Centre Set Up Instructions
#5	Council Gold Handbook
#5a	Council Silver Handbook
#6	London Local Authority Gold (LLAG) and Gold Support Team (GST) Handbook
#7	Corporate Level Business Continuity Plan
#8	Recovery Handbook
#9	Borough Risk Register
#10	Councillors Handbook

Specific plans exist to deal with risks that may affect the borough. Examples include the pandemic flu plan, multi-agency flood plan, fuel shortage plan, animal health plan and the winter service plan.

The London Emergency Services Liaison Panel (LESLP) publishes a Major Incident Procedure Manual setting out these key responsibilities. The current version of the manual can be accessed from the LESLP web site

[LFB Letter \(london.gov.uk\)](https://www.london.gov.uk/leisure-and-recreation/leisure-and-recreation/leisure-and-recreation)

The emergency response arrangements of the council are aligned with the principles of the Joint Emergency Services Interoperability Programme (JESIP)

[JESIP - Working together, Saving Lives](#)

The London Local Authorities Concept of Operations for Emergency Response and Recovery Document (CONOPS) sets out how London's Local Authorities support their communities and partner organisations in the response to and recovery from an 'emergency', as defined in the Civil Contingencies Act 2004.

The London Local Authorities Concept of Operations can be accessed via the emergency planning team or directly via Resilience Direct [Guidance and Protocols \(resilience.gov.uk\)](https://resilience.gov.uk)

2 ROLE OF THE COUNCIL

2.1 Civil Contingencies Act

Under the Civil Contingencies Act 2004 (CCA), as identified as a Category 1 responder, the council has seven responsibilities. The council abides by these duties through the Emergency Planning and Resilience Team.

Category 1 responders are the core responders which consist of the emergency services (Police, Fire Brigade and Ambulance), Environment Agency, Local Authorities and Port Authority.

Category 2 responders are the cooperating agencies which include transport providers, Health and Safety Executives and utility companies.

All Category 1 and 2 responders adhere to the same command and control arrangements as defined in the London emergency services liaison panel (LESLP) major incident procedure manual. This ensures that all partner agencies work to the same structure and communicate with each other at the equivalent levels.

Under the CCA, all Category 1 responders are required to:

- Assess the risk of emergencies occurring and use this to inform contingency planning
- Put in place emergency plans
- Put in place Business Continuity Management arrangements
- Put in place arrangements to make information available to the public about civil protection matters and maintain arrangements to warn, inform and advise the public in the event of an emergency
- Share information with other local responders to enhance coordination
- Cooperate with other local responders to enhance coordination and efficiency

Additionally, the council has responsibility to provide advice and assistance to businesses and voluntary organisations about business continuity management.

Further information on our duties under the Act can be found here:

[Preparation and planning for emergencies: responsibilities of responder agencies and others - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/guidance/preparation-and-planning-for-emergencies-responsibilities-of-responder-agencies-and-others)

As set out in the Act, cooperation and coordination is extremely important in preparedness, response and recovery. The council predominantly does this through the Borough Resilience Forum (BRF). This statutory forum meets quarterly and includes representatives from the emergency services, voluntary sector, utilities, transport, health and businesses.

2.2 Borough Risks

Under the Civil Contingencies Act 2004, all Category 1 responders must contribute to and update a Community Risk Register, which assesses the risks within the community and the likelihood of them occurring. The London Community Risk Register is maintained and administered on behalf of all London local authorities by the London Resilience Group and may be found at:

[London Risk Register | London City Hall](#)

The local borough community risk register is maintained and administered by the Emergency Planning and Resilience team. It can be accessed by the Resilience Direct website.

[03. Risk Management \(resilience.gov.uk\)](#)

A link to the public version of the Southwark community risk register can be found on the council website:

[Specific hazards or events - Southwark Council](#)

2.3 Warning and Informing Arrangements

Category 1 responders under the Civil Contingencies Act 2004 are required to maintain arrangements to warn the public if an emergency is likely to occur or has occurred. The council has a specific communications plan in place for this.

The council provides advice on steps that everyone can take to prepare for emergencies on the Southwark website, including a public guidance document titled 'My Emergency Plan':

[Be prepared - Southwark Council](#)

2.4 Identification of Vulnerable People

Southwark Council has a responsibility to ensure the economic, social and environmental well-being of our community. In emergencies, the council supports the emergency services in mitigating effects by coordinating the provision of welfare support to the community and taking the leading role in the recovery process. The council can support category 1 responders in an emergency by:

- Accessing information to identify known vulnerable people and to process the data into a useable format for multi-agency responders

- Working with multi-agency partners to identify all vulnerable people depending on the type of incident
- Sharing relevant information with other responders and relevant stakeholders.

2.5 Community Engagement and Cohesion

During an emergency event and subsequent recovery, the council has a key role in community engagement. This includes, but is not limited to, operational services with direct engagement in community matters, local elected councillors, Members of Parliament and, indirectly, through the plethora of voluntary agencies, charities and faith communities with whom the council liaises on a daily basis and all of which have key roles to fulfil in the incident management process. Engagement with relevant key stakeholders should commence at the earliest opportunity, often during the response phase of the incident, to ensure a coordinated and consistent approach.

This engagement leadership and coordination is especially important in times of large scale incidents that cause community disruption. The council will access and utilise existing relationships and systems that allow the council and its partners to act quickly and coherently to reduce, control or mitigate the impact of disturbances on community cohesion when they occur.

2.6 Role of Elected members

Many elected members are involved in community organisations, school governing bodies and local charities and are a valuable source of help and specialist advice during an emergency incident and during the recovery phase.

During the initial response phases of an incident, Council Gold/Silver will notify and liaise with the Leader of the Council and the relevant cabinet member. The duty press officer will liaise with the relevant ward councillors and other elected members.

The role of Councillors may include the following,

- assisting with, and being the council spokesperson when dealing with the media.
- assisting with VIP visits
- attending emergency centres
- advising council officers on local issues
- identifying vulnerable residents
- relaying information between the council and the community
- attending and 'chairing' local residents forums
- being the focus for community consultation procedures
- being involved to assist in creating the strategy and support in the 'recovery phase' of the incident.

Specific local Information can be found in our own guidance for elected members in the Councillors Handbook #10, the Emergency Planning and Resilience Team have copies.

Further information can be found in the publication “A Civil Resilience Handbook for Councillors in London Local Authorities” published by London Councils:

[Civil Resilience Handbook for London Councillors | London Councils](#)

2.7 Borough Resilience Forum

Southwark Borough Resilience Forum (BRF) is a statutory borough forum with the aim to co-ordinate, develop and implement a joint up approach to emergency response and management in Southwark. Membership is varied mostly including Category 1 & 2 responders along with others.

2.8 Business Continuity Planning and Resilience

To complement the council’s capability to respond to emergencies and in compliance with relevant legislation (CCA 2004), the council has its own business continuity arrangements in place ensuring that it can continue to provide its core services during an emergency or incident.

Further information can be found in Corporate Level Business Continuity Plan #7, the Emergency Planning and Resilience Team have copies.

The council also promotes business continuity planning and provides advice to local businesses.

[Emergencies - Southwark Council](#)

2.9 Business Impact Assessment

A Business Impact Assessment is how the council assesses the criticality of services which guides the management of the council's Business Continuity arrangements. It is a structured process used to determine and evaluate the potential impacts of an interruption to critical business operations, due to disasters, accidents or emergencies.

The Council undertakes a business impact analysis of all of its key functions, determining the importance of the function from statutory and reputational risk perspectives, as well as factoring in the impact of the function on clients, especially vulnerable groups of people.

This analysis has been used to classify each function by priority rating and recovery timescale. Priority ratings are categorised as bellow:

	Priority	Timeframe	Guide
CRITICAL	Priority 1	Must be kept operational. ASAP	<ul style="list-style-type: none"> • Catastrophic financial impact upon LBS • Will attract adverse national and local publicity • Inability to effectively integrate with stakeholders • Would rely on mutual aid • Fatality of one or more or serious injury to numerous people
CRITICAL	Priority 2	Recovery within 24 hours	<ul style="list-style-type: none"> • Significant-Moderate financial impact upon LBS • Potential adverse local publicity • Significant impact on performance across the Department • May require mutual aid • Long term injury, illness or fatality
CRITICAL	Priority 3	Recovery within 3 days	<ul style="list-style-type: none"> • Likely to have moderate financial impact upon LBS • Potential adverse local publicity • Significant impact on performance across the Department • May require on mutual aid from within LBS • Internal performance disruption • Long term injury or illness
NOT CRITICAL	Priority 4	Recovery within 7 days	<ul style="list-style-type: none"> • Likely to have minor financial impact • Minor impact on the performance of the service • Minor specialist personnel issues • Potential for complaints • Short term injury or illness
NOT CRITICAL	Priority 5	Recovery over 7 days	<ul style="list-style-type: none"> • Slight impact on performance of the service • Likely to have little financial impact • No specialist personnel issues

3 Activation

3.1 Procedures for Activation

An initial notification requiring the council to consider the deployment of the emergency arrangements may come from an internal or external source. Notifications are made via the 24-hour Customer Service Centre (CSC) number **0207 525 5000**, or via a Category 1 responder and in some circumstances directly to the duty LALO.

3.2 Triggers for Activation

The Generic Emergency Plan may be activated as a direct response to an event, or as a proactive measure to prevent or reduce the effects of a 'rising tide' incident.

The following is a guide as to whether or not the council will consider activating its plan to respond to an emergency:

- An event where the council is obliged to provide a direct service or services to mitigate its effects
- An event where the council may wish to take an interest in the mitigation process by a third party, providing support where required
- An event where the council would contribute to a multi-agency response to a event
- An event where assistance has been specifically requested by the emergency services or other public body

3.3 Emergency Response Responsibilities

The council's primary role during an incident or emergency in the borough is:

- To assess, mobilise, manage and coordinate the relevant resources and technical services of the council in response to the emergency, to support the community and residents, and to assist in the emergency response
- To provide specialist care or humanitarian services in the event where people have been displaced or affected by an emergency
- To assess, agree, assist and lead on the implementation of a recovery strategy with all key stakeholders
- To ensure that as far as reasonably practical, day-to-day critical services are maintained

Emergency Involvement Levels

The level of Local Authority involvement in an incident is split into three broad categories:

- **Monitoring:** a pre-response level, where a Local Authority maintains a watching brief for signs of an incident. This includes passive monitoring of regional and national alert systems and maintaining an all-year-round point of contact for the receipt of notifications about an emergency. A Local Authority remains at this level always when not responding to an emergency.

- **Information Sharing and Communications:** the level used where a Local Authority seeks to understand the scale of an emergency in another Local Authority's administrative area and share information with and in support of local authorities at "Incident Response and Coordination" level. Where a Local Authority anticipates either a spread of the impact into its geographic area or a request for mutual aid it may communicate with its operational services in the form of an early warning so that services may move to an enhanced state of readiness.
- **Incident Response and Coordination:** where a Local Authority responds to the emergency by activating and deploying its incident response resources to support those effected by the emergency, which may include loaning resources outside its administrative area via mutual aid. To support situational awareness, the London Resilience Group (LRG) Duty Manager is notified at the earliest opportunity after a Local Authority moves to the Incident Response and Coordination level

4 Command and Control

4.1 General Command and Control Structure

There are three levels of command and control – Gold (strategic), Silver (tactical) and Bronze (operational).

Function	Description	Who
Gold (Strategic)	<ul style="list-style-type: none"> • Performs strategic actions. • Overall command of the incident. • Supported by Strategic Leadership Team (SLT) or most impacted service director. 	<ul style="list-style-type: none"> • Strategic Directors and Chief Executive
Silver (Tactical)	<ul style="list-style-type: none"> • Implements tactical plans to achieve overall strategy set by Gold. • Delegated authority to coordinate the resources and advise on decision making. • Provides the link between strategic and operational levels. 	<ul style="list-style-type: none"> • Can be the LALO in initial stages of an incident • Silver Officers
Bronze (Operational)	<ul style="list-style-type: none"> • Implements the tactical plan using the operational services of the council. • Commands the operational teams under existing management arrangements. 	<ul style="list-style-type: none"> • ECM, ESO, departmental lead officers

4.2 Southwark Emergency Scheme

On-call Arrangements

The council has trained personnel to fulfil its duties under the Civil Contingencies Act (2004) and to respond to incidents out of hours.

The emergency scheme rota consists of a senior manager designated as local authority "Silver", a Local Authority Liaison Officer (LALO), an Emergency Support Officer (ESO) and an Emergency Centre Manager (ECM) being on-call at any one time.

There is also a cohort of council staff trained to operate within the Borough Emergency Control Centre or Emergency Centres as required. These roles are on a voluntary basis, contact details for all volunteers are held in the emergency directory.

Gold (Strategic)

The role of Council Gold is to give clear strategic direction throughout the response phase and take the lead in the recovery process, working towards the restoration of normality.

The council Gold chairs the Council Gold group who should:

- Assess and advise on the impact to corporate policies, strategic considerations, political management and reputation of the council as a result of the emergency and its effects
- Set the strategy for the council's response and make resources available to respond to the incident
- Confirm with the Silver/BECC manager the agreed strategy together with appropriate mitigation steps that may be taken
- Set the internal and external communications strategy
- Consider and prepare for immediate and longer-term scrutiny and questioning, such as possible press conferences and enquiry panels
- Establish, monitor and review the Recovery Working Group and its priority work streams
- Ensure representation at multi-agency Gold groups
- Decide to request / approve mutual aid
- Determine whether to escalate to London Local Authority Gold (LLAG)
- Maintain regular communications with the BECC, and the LLAG if required.

Further information on Council Gold can be found in the Council Gold Handbook #5.

Silver (Tactical)

Silver is the tactical manager for the local authority response to the incident. The officer determines the best way to achieve the strategic priorities as determined by Council Gold. Silver should:

- Implement the strategic aim and objectives for the council response as directed by Gold
- Determine and monitor the response and resources as set out in the aim and objectives
- Assess, agree and implement a recovery strategy with Gold and key stakeholders
- Ensure that the BECC fulfils its mandate
- Ensure that Council Gold, strategic directors, members and other senior stakeholders are appropriately briefed regarding the emergency, the council's response and the longer-term issues.
- Line manage the BECC team, ensuring team working and welfare breaks and shift change
- Participate in a debrief post-event
- Nominate an individual to manage the BECC inbox and assign work

Further information on Council Silver can be found in the Council Silver Handbook #5a.

Local Authority Liaison Officer (LALO)

LALO's have delegated authority from the Chief Executive, allowing them to act as the initial council on scene Silver, to escalate and activate the emergency scheme at the appropriate level, mobilise council resources as necessary and make decisions on behalf of the council.

The LALO's responsibilities include:

- Providing 24-hour cover
- Assessing, mobilising, managing and coordinating council resources in response to an emergency for a level 2 or 3 response
- Maintaining the provision of information, liaison and advice to all public, political and emergency scheme stakeholders during the course of the emergency
- Line managing the departmental responders
- Assessing, agreeing and implementing a recovery strategy with all relevant council departments and key stakeholders
- Recording all relevant details of the incident and submitting a report following the closure of the incident

Depending on the circumstances, the LALO may be on-site at the incident and attend on scene tactical meetings. Alternatively, the LALO can carry out the duties remotely.

Further information can be found in the LALO Handbook #2.

Emergency Support Officer (ESO)

The primary role of the ESO is to provide support and assistance to the LALO, and / or the Emergency Centre Manager as required. This could include making / receiving phone calls, log keeping, procuring additional emergency centre essentials, supporting the

Emergency Centre Manager at the Emergency Centre and other tasks as delegated by the LALO.

If a BECC is required, it may be the ESO's role to establish and manage the BECC. Further instructions can be found in the BECC Handbook #4.

If the Chief Executive is deployed as the London Local Authority Gold, the ESO may be required to deploy in a supporting role, to the same location. Further information can be found in London Local Authority Gold and Gold Support Team Handbook #6.

Emergency Centre Manager (ECM)

The overall responsibility for setting up, operating and closing an emergency centre lies with the duty ECM. More information can be found in the Emergency Centre Manager Handbook #3.

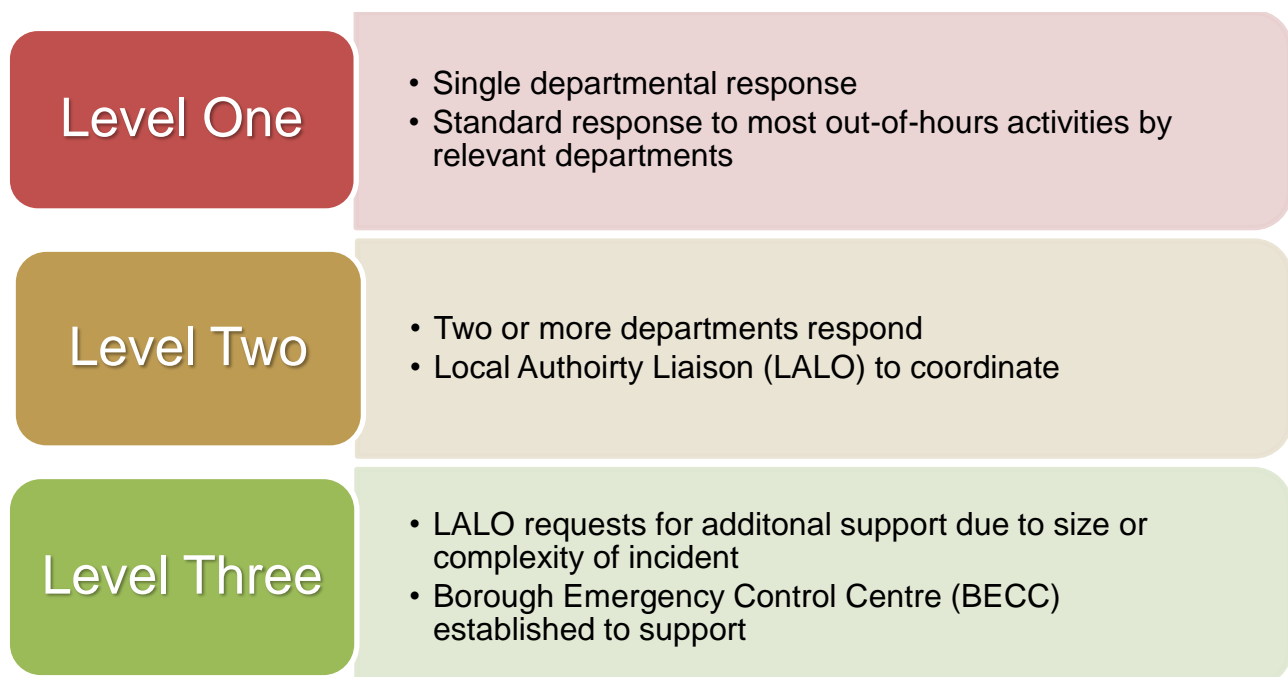
Resilience Advisor (RA)

The Resilience Advisor provides advice and guidance to commanders on emergency management arrangements to enable them to access the right information and networks of support. They work most closely with and on behalf of Council Gold and Council Silver.

The Resilience Advisor is a member of the Emergency Planning and Business Continuity team with a wide knowledge of the Local Authority's and London's emergency response and recovery arrangements.

4.3 Response Levels

The council's emergency scheme can be deployed at three different levels, depending on the initiating event or a subsequent assessment.



Level 1 Response

This is the standard response to most out-of-hours activities conducted by the relevant departments, as defined in their own departmental plans.

The LALO is not usually activated for this, although the duty LALO should be contacted if:

- A Level 1 response has the potential to escalate to a Level 2
- There is any doubt as to which level of response is required.

Level 2 Response

This response will be required when:

- Two or more departments have responded to the same incident
- A direct request has been made by the emergency services or the council for the LALO to attend an incident
- If, for any reason, the LALO needs to be alerted as a precautionary measure or for emergency advice

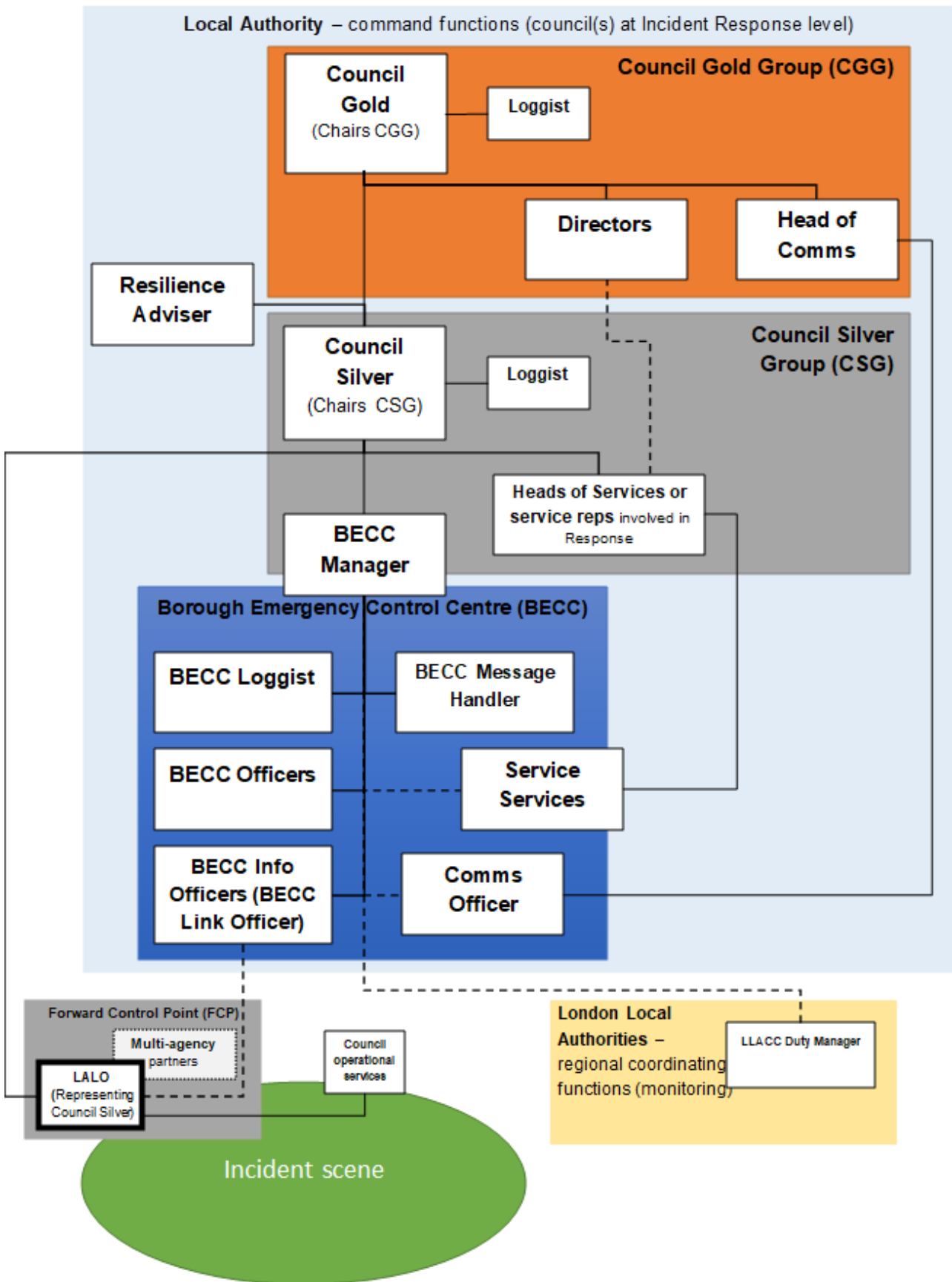
Level 3 Response

This may be deployed as a result of a major incident being declared by the emergency services, if the direct response to the incident warrants the enhanced level of support, a national crisis, or as a proactive measure in case of event escalation.

Level 3 underpins a full multi-departmental response, usually with a dedicated Borough Emergency Silver operating from the Borough Emergency Coordination Centre (BECC) coordinating all activities in the council's response.

In a level three response, Council Gold would be activated in order to give clear strategic direction and take the lead in the recovery process.

Major incident command and control structure diagram



4.4 BECC

The BECC provides a central location to coordinate the council for response, situation awareness, information gathering and decision making.

The primary BECC is located in the Tooley Street Offices. A secondary or fall-back facility is located in the Queens Road council offices.

In the event that council buildings are inaccessible, such as during a pandemic, the BECC can be operated remotely.

The BECC can be activated by the duty LALO, duty Silver, the Chief Executive or any of the emergency planning team in response to intelligence on an incident.

BECC activation can be initiated by the London Local Authority Coordination Centre (LLACC) to support a major incident in London.

Further instructions on BECC operations can be found in the BECC Handbook #4.

4.5 Emergency Centres

The responsibility for the operation of Emergency Centres to support those affected by the incident either lies with the Local Authority, or has the Local Authority holding a major supporting role under the responsibility of the Police. In all cases, these centres can be supported by voluntary, community or faith agencies or organisations.

A database of premises that may be used as emergency centres is maintained, detailing the resources available and the contact details for their activation. – this can be found in the emergency directory.

All types of emergency centres have a general purpose of providing a mixture of practical and emotional support, including psychological first aid and provision of information, from a location that is safe, conducive to offering such services and in a location accessible to those affected by the incident. The following are most usual forms of emergency centres:

Rest Centre

A Rest Reception Centre serves as a place of safety for those who have been evacuated from their home, work or other place or are unable to return to that place, but who are uninjured and not directly affected by the incident. Rest Centres vary in size, depending on the incident in question.

Survivor Reception Centre (SRC)

Provides survivors, who do not require hospital treatment, a place to be directed to, where they can be met by police and other services to obtain initial information and support in the immediate aftermath of the incident and give details to police investigating officers. The responsibility for opening an SRC lies with the Police supported by one or more Local Authority. Other agencies attend as required and requested by the Police or a Local Authority.

Family and Friends Reception Centre (FFRC)

Established by the Police with one or more Local Authority and / or NHS support, the purpose of the FFRC is to help reunite friends and relatives with survivors by providing a place for the Police to record missing person enquiries and collect information that may aid their investigation. In addition, it provides family and friends a safe area to gather that is away from media attention while offering up-to-date and accurate information on the response arrangements as well as access to practical and emotional support.

Humanitarian Assistance Centre (HAC)

Provides a focal point for humanitarian assistance to bereaved individuals and families, survivors and impacted communities. Set up by the Local Authority, working in partnership with a range of statutory and voluntary organisations, this centre offers individuals and families to gain as much information as is currently available about family members and friends involved in the incident and for these people to access a range of facilities that help them to make informed choices according to their needs.

A HAC may remain open for weeks or months after the incident and may operate as part of a wider humanitarian assistance offering e.g. website and helpline.

4.6 Communications

The Communications team key responsibilities for communicating with the public and internal staff are:

- To advise and assist with press and media briefings, public information and internal communications as required;
- Liaise with partner agency's press officers to ensure that the media message is consistent;
- Ensuring that council staff are kept regularly updated;
- Brief members where needed;
- Regularly update the council intranet with agreed messaging;
- If appropriate, ensure a press officer attends and participates at the BECC;

5 LONDON-WIDE ARRANGEMENTS

The London Resilience Group coordinates and acts as support to all borough Emergency Planning Teams. In addition, a separate team, known as the Resilience Support Team provides additional specialist functions and support.

5.1 London Local Authority Gold (LLAG)

All London Local Authority chief executives, are on an annual rota for London Local Authority Gold, this ensures that there is always a strategic decision maker available to support any incident across London.

The LLAG is supported by the LLACC.

5.2 London Local Authority Coordination Centre (LLACC)

The majority of incidents are dealt with within the council through local arrangements, however if the incident is larger than the councils resources, or the incident has an impact

on more than one council, the London Local Authority Coordination Centre (LLACC) is activated. The LLACC is operated by London Resilience to provide a strategic view across London, and to support the LLAG.

5.3 Mutual Aid

A London-wide Memorandum of Understanding (MOU) is in place for mutual aid. The MOU provides for participating authorities to endeavour to provide assistance to another participating local authority in the form of provision of personnel and/or equipment in the event of, or in the reasonable anticipation of, an emergency or other disruptive or rising tide incident when asked to do so. The local authority requesting aid will undertake to reimburse the local authority providing it on a cost recovery basis.

In the event of mutual aid being needed or requested, boroughs should firstly request mutual aid from their sub-regional resilience forums (SRRF). LB Southwark is part of the South East SRRF which comprises of the following other boroughs:

- Bexley
- Bromley
- Greenwich
- Lewisham
- Lambeth

If mutual aid cannot be attained through the South East SRRF, mutual aid can be arranged via a request to the LLACC.

5.4 Humanitarian Assistance

Humanitarian assistance is guided by the multi-agency London Humanitarian Assistance Plan, and the responsibility to coordinate this London-wide activity falls to local authorities.

The LLAG appoints a senior Local Authority officer (normally a Director of Adult Social Care) to act as the Humanitarian Assistance Lead Officer (HALO). The HALO convenes and chairs a multi-agency body known as the Humanitarian Assistance Steering Group (HASG), which assesses the needs of all those affected and develops and oversees strategies to ensure the provision of appropriate activity.

The HALO may activate a number of Humanitarian Assistance capabilities through which assistance is offered. These include:

- Humanitarian Assistance Centre.
- Humanitarian Assistance website.
- Humanitarian Assistance telephone line.

Southwark's HALO Rep contact details can be found in Southwark's emergency directory.

5.5 Science and Tactical Advice Cell (STAC)

The purpose of the Scientific and Technical Advice Cell (STAC) is to ensure timely coordinated scientific and technical advice to the Strategic Coordinating Group (SCG) during the response to an emergency, which is particularly important where there may be significant wider health and environmental consequences.

It achieves this bringing together technical experts from those agencies involved in the response and who may provide scientific and technical advice. Local Authorities are a member of the STAC and deploy to the STAC senior officer(s) with expertise relevant to the incident e.g. Environmental Health Officer.

The STAC would operate in accordance with the regional London STAC Arrangements. Southwark's STAC contact details can be found in Southwark's emergency directory.

5.6 British Red Cross

A MOU is in place between the Resilience Support team and British Red Cross (BRC). This means that all London local authorities can request humanitarian support at any time dependent on BRC resources. The BRC can provide a range of functions and specific support in establishing and supporting the council at emergency centres.

6 RECOVERY

Recovery management encompasses the physical, social, psychological, political and financial consequences of an emergency. The council takes the lead on the recovery phase undertaking activities that will provide as rapid a return to normality as possible for the community and responders.

The recovery phase is formally established by the Chief Executive or the nominated Council Gold once the situation has been stabilised, however recovery working should start as soon as possible.

The Chief Executive or nominated deputising Strategic Director will be the lead of the recovery process and convene a Recovery Management Group (RMG). Several sub-groups will be convened underneath the RMG as needed, such as a Humanitarian Assistance Group or Business Recovery Group. In the case of any significant event, some services may not return to their original state and the return to normality may be classified as renewal.

The LLACC/London Resilience Group may support the recovery process.

The RMG sits, at decreasing frequency, until the point at which recovery management has passed entirely to 'business as usual' activities. Compared with the response phase, which may last a matter of hours or days, the recovery/renewal phase may last months or years.

Further guidance is contained within the Recovery Handbook #8.

7 POST INCIDENT

7.1 Stand Down Procedure

As and when it is clear that the emergency phase is winding down and recovery can be placed in to business as normal processes, initiating the standing down of the emergency response will be considered.

Stand down will be agreed and planned with other emergency responders and with council departments involved in the response. Suitable stand down actions will be identified and monitored as they are undertaken.

7.2 Debriefing

The council will undergo an internal debrief process as soon after the incident as possible in order to identify issues and lessons from the response.

Full participation in the debrief process at all levels will be encouraged.

The debrief report will be shared with relevant internal and external stakeholders. Any recommendations and lessons learnt will be forwarded to relevant officers and teams to action. Emergency Planning Team will maintain a log of recommended actions and completion.

The council will also fully participate in any multi-agency debrief.

7.3 Staff Welfare

Incidents, their management and the situations to which staff could be exposed are likely to be physically and mentally demanding and will present a range of Health & Safety and Welfare Risks. Mutual aid may increase these risks as staff operate in unfamiliar locations. Local Authorities manage these risks by taking steps before, during and after incidents.

These steps include:

- **Before** – risks assessments and training needs analyses of incident management roles. Training in incident management procedures and personal resilience and provision of equipment that is appropriate to an individual's incident management role.
- **During** - providing refreshments and opportunities to take breaks. Localisation inductions for mutual aid staff.
- **After** - access to support, including that provided by line management and Human Resource teams.

ANNEX 1 : ACRONYMS

ACRONYM	WHICH STANDS FOR...	WHICH MEANS....
ABECC	Alternative Borough Emergency Control Centre	Back-up control centre at Queens Road
BECC	Borough Emergency Control Centre	The location at which the council response to a level three incident is managed
BT	British Telecom	Utilities company. Category two responder.
BTP	British Transport Police	Responsible for policing the railways and the London underground. One of London's three police forces.
BRC	British Red Cross	Volunteer organisation
CCA	Civil Contingencies Act (2004)	Council has duties under the act as a category 1 responder
COLP	City Of London Police	Responsible for policing within the city of London – "the square mile". One of London's three police forces.
CONOPS	Concept of Operations for Emergency Response and Recovery	Guidance provided by London Resilience on London Emergency Planning & Response
CSC	Customer Service Centre	Council public facing line
EDO	Emergency Duty Officer	Out of hours call centre operative. Activates the LALO on receipt of a message from the emergency services.
EPRT	Emergency Planning and Resilience Team	Maintains and coordinates the emergency scheme and the council's readiness to respond.
ESO	Emergency Support Officer	On call officer as part of Southwark Council's emergency scheme. Supports the LALO at the scene of the incident. Extra pair of hands, eyes and ears.
FCP	Forward Control Point	Co-location point at the scene of an incident of commanders from each agency. Location at which the Silver meetings would take place.
FFRC	Friends And Family Reception Centre	A place for friends and family of those involved in the incident to gather. Run by the police but may require local authority assistance.
GCG	Gold Coordinating Group	The multi-agency Gold group who would convene at a nominated location to determine the strategic response to the emergency. Also known as SCG.
GIS	Geographic Information System	Software used for mapping purposes.
GST	Gold Support Team	Team activated to support Gold
GSST	Guys and St Thomas's Trust	NHS Foundation trust located in Southwark and Lambeth

GENERIC EMERGENCY PLAN
UNCLASSIFIED

ACRONYM	WHICH STANDS FOR...	WHICH MEANS....
HAC	Humanitarian Assistance Centre	A centre set up post incident to provide support and assistance to those who have been affected by a regional (pan London) emergency. Can also be used for taking witness statements post event.
ICP	Incident Control Point	Used by LFB to denote location of incident command function. See also FCP
JESIP	Joint Emergency Services Interoperability Principles	Principles to ensure joint working between multi-agency partners
LALO	Local Authority Liaison Officer	On call officer as part of Southwark Council's emergency scheme. Has delegated authority from the Chief Executive; responds to the scene of the incident, liaises with the emergency services at the Silver level and coordinates the resources of the council
LAS	London Ambulance Service	NHS Ambulance service located in London
LBS	London Borough Of Southwark	Southwark Council
LESLP	London Emergency Services Liaison Panel	London based body which meets quarterly and determines and agrees multi agency major incident procedures and protocols. Includes representatives of emergency services, local authorities and others.
LFB	London Fire Brigade	Responsible for emergency response to fires and other incidents in London.
LLACC	London Local Authority Coordination Centre	Coordinates the communication, activity and resources between the LLAG and all 33 London local authorities. Run by London Fire Brigade Emergency Planning and based at Merton.
LLAG	London Local Authority Gold	A single London local authority chief executive who would represent all London local authorities within the GCG in response to a pan London emergency. As part of a rota.
MPS	Metropolitan Police Service	Responsible for policing in 32 London Boroughs (not the City of London). One of London's three police forces.
PPE	Personal Protective Equipment	Issued to emergency responders to ensure their protection against hazards and inclement weather.
RD	Resilience Direct	Online portal for plans and documentation. Used by LLACC in a response
ECM	Emergency Centre Manager	On call officer as part of Southwark Council's emergency scheme. Responsible for setting up, operating and closing a council run emergency centre
RMG	Recovery Management Group	Recovery Group activated and led by the Chief Executive
RVP	Rendezvous Point	Location to which emergency services vehicles should head initially for the response.
SCC	Strategic Coordination Centre	The location at which the GCG / SCG convenes.

GENERIC EMERGENCY PLAN
UNCLASSIFIED

ACRONYM	WHICH STANDS FOR...	WHICH MEANS....
SCG	Strategic Coordinating Group	The multi-agency Gold group who would convene at a nominated location to determine the strategic response to the emergency. 'Also known as GCG.
SCGC	Strategic Coordination group chairs	Local authority chief executives that chair the SCG
SPOC	Single Point of Contact	Normally the LALO, however it is good practice to have one contact for organisations to contact the council in a response
SuRC	Survivor Reception Centre	A place for survivors to be gathered together for evidence gathering / support providing purposes. Run by the police but may require local authority assistance.
TfL	Transport for London	Transport operator. Category two responder.

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Meeting Name:	Cabinet
Date:	22 July 2024
Report title:	Report of the Health and Social Care Scrutiny Commission: Access to Toilets scrutiny review report
Lead Member:	Councillor Suzanne Abachor, Chair, Health and Social Care Scrutiny Commission
Ward(s) or groups affected:	All wards
Classification:	Open
Reason for lateness (if applicable):	N/a

RECOMMENDATIONS

1. That the cabinet notes the recommendations of the Health and Social Care Scrutiny Commission: Access to Toilets scrutiny review report, Appendix A, as set out on page 3 – 5 of the report.
2. That the cabinet considers the recommendations from the Commission and requests that the relevant cabinet member reports back to cabinet on the recommendations, as set out below.

KEY ISSUES FOR CONSIDERATION

3. This review is driven by the Commission members concerns that limited toilet provision is negatively impacting on some residents' ability to leave their homes, as well as their health and well-being, particularly older people, disabled people, pregnant women and parents and carers of young children. Moreover, the lack of adequate toilets is creating unsanitary conditions in our parks and on our streets.
4. It is for cabinet to decide whether or not to accept the scrutiny commission's recommendations.
5. Overview and scrutiny procedure rule 15.3 requires cabinet to consider and provide a written response to the report within two months.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Health and Social Care Scrutiny Commission agenda and papers 2022/23	Scrutiny Team 160 Tooley Street London SE1 2QH	Julie Timbrell 020 7525 0514
Web link: https://moderngov.southwark.gov.uk/ieListMeetings.aspx?CId=519&Year=0		

APPENDICES

No.	Title
Appendix 1	Access to Toilets scrutiny review report

AUDIT TRAIL

Lead Member	Councillor Suzanne Abachor, Chair, Health and Social Care Scrutiny Commission	
Lead Officer	Everton Roberts, Head of Scrutiny	
Report Author	Julie Timbrell, Project Manager, Scrutiny	
Version	Final	
Dated	14 June 2024	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Assistant Chief Executive, Governance and Assurance	No	No
Strategic Director, Finance	No	No
Cabinet Member	No	No
Date final report sent to Constitutional Team		9 July 2024

APPENDIX 1

Access to Toilets Scrutiny Review Report

Health and Social Care Scrutiny
Commission

May 2024

Contents

Summary of recommendations	Page 3
Introduction	Page 5
Context	Page 5
Contributors to the review	Page 7
Background	Page 7
How the Council Delivers Toilets	Page 8
Toilets are an Equality, Public Health & Environmental Health Issue	Page 8
Toilet cold spots	Page 10
Toilet good practice	Page 11
Community Toilet Scheme (CTC)	Page 11
Anti Social Behaviour (ASB)	Page 12
Opening up Southwark's Toilets	Page 13
Information and Sign Posting	Page 14
Toilet Strategy	Page 15
Leadership	Page 16
Acknowledgements and thanks	Page 17

Summary of recommendations

Toilets are an Equality and Public Health Issue: Recommendation One

Recognise that a lack of adequate toilet provision disproportionately impacts on people with a Protected Characteristic, including older and disabled people, in particular. Poor provision is a Public Health issue and negatively impacts on the health and wellbeing of residents. A Toilet Strategy ought to conduct an Equality Impact Assessment, and this ought to include:

- i. Ensuring adequate provision for people who require a toilet more frequently,
- ii. Ensuring that all cubicles are large enough to accommodate walking aids,
- iii. Ensuring that different sex needs are catered for including ensuring provision recognises that:
 - Women take longer and require more toilets than men, and pregnant women often have a more urgent need,
 - Men with prostate cancer require sanitary bins.

Environmental Health: Recommendation Two

The lack of adequate, decent toilet provision is leading to unsanitary conditions in public spaces, particularly parks and the street. Poor provision is an environmental health issue. The council ought to work with partners to ensure, as far as possible, that there is adequate provision to meet the needs of the whole population of Southwark, including homeless people.

Toilet cold spots: Recommendation Three

Improve provision in Peckham Rye Station and the new Town Square by prioritising this in the Toilet Strategy and Town Centre plans. Together the council and Network Rail ought to provide more transparency on the plan, and options for toilets at Peckham Rye Station and new Town Square, and consult with local residents and stakeholders to bring clarity by 2025. In addition the council ought to improve Camberwell Green toilet provision by a) ensuring the library toilet is cleaned frequently enough b) engage nearby supermarkets and fast food places through a Community Toilet Scheme.

Community Toilets: Recommendation Four

Invest in a refreshed Community Toilet scheme using London boroughs, such as , Richmond upon Thames and Lewisham, as examples .

Prioritise Peckham Rye, Camberwell and other toilet cold spots, in the revived Community Toilet scheme.

Anti Social Behaviour (ASB): Recommendation Five

Toilets have a high value to the community and as such the cost of mitigating ASB is not a good reason to deny provision. ASB can be addressed through engagement with partners to improve location and design and make the most of local capacity to prevent and deter ASB. This ought to include understanding the types of possible ASB and working with the police (including the Designing Out Crime unit), TfL, council enforcement and community organisations to mitigate and prevent ASB. Consideration ought to be given to keeping toilets clean and well maintained, and the use of attendants where possible.

Southwark Borough Toilets: Recommendation Six

The Commission welcomes the accommodation review of the council's estate and the potential this offers to open up more toilets to the public.

In addition the Commission recommends that the council works with wider stakeholders such as local GPs, the wider NHS, TfL and developers to maximise toilet provision in the existing estate and in future buildings.

The work on the accommodation strategy and engagement with wider stakeholders, to open up both the existing estate and expand provision, ought to be incorporated into a Toilet Strategy.

Information and Sign Posting: Recommendation Seven

The Commission supports the continued use of AccessAble, which is a well used resource.

In addition the Commission recommends that :

- I. The website is kept updated in the short term, and over the longer term more work is done as part of a Toilet Strategy to provide accurate information to residents and visitors.
- II. The Great British Public Toilet Map www.toiletmap.org.uk is updated, as this is an excellent resource.
- III. A map forms part of a revised Toilet Strategy / Community Toilet scheme and this would consist of a hard copy as well as digital offer. Lewisham have an excellent printed map that it would be useful to replicate in Southwark.

Toilet Strategy: Recommendation eight

Develop a Toilet Strategy through engagement with a range of stakeholders, local people, mapping needs and gaps, co-creating solutions and provision of an action plan that interfaces with planning and regeneration.

Leadership: Recommendation Nine

The Commission recommends that the Toilet Strategy is led by:

- I. The cabinet member for Public Health or a cabinet member with the Environmental Health and / or Streets for People brief in their portfolio,
- II. A senior officer.

It is envisaged that both the cabinet member and senior officers would have a role working across different departments, and with external stakeholders , in order to champion a cross council and borough strategy.

Scrutiny Report

Introduction

This review is driven by members concerns that limited toilet provision is impacting on the mobility, health and well-being of disadvantaged groups, particularly older people, disabled people, pregnant women and parents and carers of young children. Moreover, the lack of adequate toilets is creating unsanitary conditions in our parks and on our streets.

The primary outcome the review aims to achieve is that the council develops a Southwark Toilet Strategy, with local stakeholders. The Commission believes this will enable the council to best lead on improved provision of toilets across the borough, as it can bring into play the resources of local business, the NHS, and other partners in order to improve local capacity, given the council's budget constraints.

Context

London and National Loo Campaigns

The review took place during a resurgence of campaigns over the last few years for more loos, driven largely by older people and older people's campaign groups, led in part by Age UK London.

The GLA health select committee wrote a report: The Toilet Paper in November 2021. This made several recommendations to the Mayor of London, including that Local Authorities develop Toilet Strategies and also included several actions for TfL to improve toilet information, accessibility and provision.

In May 2023 Age UK London hosted an event on toilets in partnership with London Councils. The theme was 'Improving public toilet provision in times of financial pressures'. This event brought together London Boroughs to share good practice, as well as hearing from Cardiff Council, who shared their work on a toilet strategy. Richmond upon Thames, Tower Hamlets and Lewisham councils showcased their Community Toilet schemes, and the Helen Hamlyn Centre for Design discussed the importance of inclusive design. Westminster Council shared their good practice on modernising loos in the West End and how they were tackling anti social behaviour.¹

Age UK London have produced several resources on producing Toilet Strategies, Community Toilet schemes and using planning and public information. Age UK London also supported local Southwark residents to campaign, and both Age UK London and local residents from Loos for Southwark have been instrumental in providing evidence for the review.

¹ <https://www.ageuk.org.uk/london/publications/blogs/articles/london-councils-event-blog/>

Changing Places Toilets

There is growing awareness of the needs of people with higher access needs – people who are most disabled, and expanding provision of Changing Places toilets.

Changing Places toilets (CPTs) are large accessible toilets that include specialist equipment such as hoists and adult-size changing benches so people with specific care needs can receive safe and dignified personal care away from home.

The government has provided funding for more Changing Places toilets to address this need and Southwark has made good use of this. There is also now a new legal requirement to install Changing Places Toilets in public buildings. This applies to any new builds or major refurbishments that are over specified sizes and includes large shopping centres, as well as big new places for recreation, including cinemas, sports stadiums and art galleries etc. In addition new hospitals and primary care centres must provide a Changing Place toilet.

Contributors to the review

Voluntary and community sector

- Loos for Southwark
- John McGeachy, Age UK London

Officers

- Chloe Harvey, Thrive-to-25 Programme Manager, Children and Adult Services
- Matt Little, Principal Strategy Officer, Local Economy Team
- Stuart Robinson-Marshall, Head of Business Strategy, Housing and Modernisation
- Tara Quinn, Head of Parks and Leisure, Environment and Leisure

Cabinet member

Councillor Evelyn Akoto, Cabinet Member for Health and Wellbeing

Background

The council has reviewed its approach to toilets twice formally in the last twenty years:

- I. In 2005 Cabinet agreed a mini review and decided to open up more toilets in the council's estate, work with stakeholders, including local supermarkets, to increase provision, improve signage and close toilets not DDA compliant,
- II. In 2018 the Council Plan refresh undertook to create a network of accessible toilets and baby changing facilities - Changing Places toilets.

How the Council Delivers Toilets

The council delivers toilets through:

- i. Public Conveniences it maintains on the street and in parks.
- ii. Opening up toilets in buildings owned by the council to the public, for example the office at Tooley Street, libraries and cafes in parks.
- iii. Working with partners to increase publicly available provision, for example in Leisure Centres, Network Rail owned stations, and encouraging provision of toilets as part of regeneration schemes.
- iv. Stipulating more provision through planning. The Soutwark Plan requires public toilet provision in town centres. Large schemes for main town centres that are 1,000 sqm or more must provide free public toilets.
- v. Delivering more Changing Places toilets by accessing funding and working with partners to install these in public places.
- vi. Supporting Community Toilets whereby the council works with business to open up toilets in café, pubs, supermarkets etc. to local people (although this is not currently active).
- vii. Provision of information on the council website and through [AccessAble](#).

Toilets are an Equality, Public Health and Environmental Health Issue

The commission is particularly concerned that that the lack of adequate toilet provision disproportionately impacts on many people with a Protected Characteristic and residents experiencing socio-economic disadvantage.

- Older people and disabled people who will often not leave the home unless they can be sure of adequate provision.
- Parents with young children particularly need toilets.
- Pregnant women need toilets more frequently and urgently.
- Women need more toilets than men, as they spend longer in toilets.
- Homeless people and people living on the street are in dire need of adequate provision.

Loos for Soutwark evidence highlighted that people with limited mobility often require larger cubicles to accommodate walking aids, including shopping trollies. People frequently travel with luggage, and other bags, and toilet cubicles should be designed to accommodate easily. While airports have mastered this problem, and provide large enough cubicles, railway stations, and other public places have often not yet managed to provide adequate facilities. This can be a particular problem in stations where safety announcements order passengers not to leave their luggage unattended, but tiny cubicles, with Sanitary Bins, and inward opening doors make this extremely difficult.

The Commission heard that race is a barrier to accessing public provision in cafés and pubs, and informal arrangements can mitigate against black and brown people, who are more likely to be refused access.

Men with prostate cancer need bins and there is a campaign to support this: [Boys need Bins](#). This campaign is working to raise awareness about male incontinence and the need for bins in male toilets. They have been campaigning with a number of national organisations, including the All Party Parliamentary Group (APPG) for Bladder and Bowel Continence Care to get the government to make it law to have bins in all male toilets nationally.

Environmental Health

Poor provision is an environmental health issue and negatively impacts on the health and wellbeing of the community.

The lack of adequate provision for homeless people and people living on the street is a particular cause for concern. This is causing unsanitary conditions, with people defecating and urinating in the streets and parks because there are no public toilets. The toilet needs for this segment of the population are particularly acute and must be considered in the recommended toilet strategy.

In addition there are other residents who are using public spaces for toileting, including parents are holding children over drains in the street because of poor provision, and men urinating in the street at night.

Toilets are an Equality and Public Health Issue: Recommendation One

Recognise that a lack of adequate toilet provision disproportionately impacts on people with a Protected Characteristic, including older and disabled people in particular. Poor provision is a Public Health issue and negatively impacts on the health and wellbeing of residents. A Toilet Strategy ought to conduct an Equality Impact Assessment, and this ought to include:

- i. ensuring adequate provision for people who require a toilet more frequently,
- ii. ensuring that all cubicles are large enough to accommodate walking aids,
- iii. ensuring that different sex needs are catered for including ensuring provision recognises that:
 - Women take longer and require more toilets than men, and pregnant women often have a more urgent need,
 - Men with prostate cancer require sanitary bins.

Environmental Health: Recommendation Two

The lack of adequate, decent toilet provision is leading to unsanitary conditions in public spaces, particularly parks and the street. Poor provision is an environmental health issue. The council ought to work with partners to ensure, as far as possible, that there is adequate provision to meet the needs of the whole population of Southwark, including homeless people.

Toilet cold spots

The commission heard that toilet provision is particularly poor in Peckham and Camberwell.

Peckham

Peckham Rye Station is due to have a toilet – however it is unclear if this will only be a Changing Places toilet and if other toilets will be provided in addition, and if they will be located behind a barrier. There is a preference amongst many people for toilets to be located in front of the barrier, however TfL's current guidance for new facilities is that they should be located in the ticket hall after the barrier, as they believe this helps to ensure facilities remain in a better condition for all users. At the same time TfL states that they expect staff to allow people through the barrier to use toilets wherever possible².

In addition to the Peckham Rye station upgrade there is also a council led Town Centre upgrade. Provision of a new town square, adjacent to Peckham Rye Station, was granted planning permission in 2016, and this included new public toilets to be created in the arches adjacent to the new square. Members of the commission have heard that concerns about anti-social behaviour (ASB) may hinder delivery in Peckham, however ASB can be mitigated through engagement and good planning. The council is a partner in the regeneration of the station led by Network Rail and leading the new square development at the front of the station, and as such, can use its influence to ensure provision meets the public's needs and ASB is addressed.

The plans above, and a new Aylesham Centre redevelopment in the north of Peckham, are likely to deliver substantial improvements to toilet provision over the longer term, but none are due until at least 2026. In the meantime Peckham needs several toilets across the long length of Peckham Rye, and a revitalised community toilet scheme could deliver this over the short to medium term.

Camberwell Green

Camberwell Green toilet provision is poor. The former automatic toilet located on the Green, was frequently out of action, and was removed when the contract expired in 2022. Camberwell Library toilet is located nearby, and open weekdays until 8pm, Saturday daytime and Sunday afternoon, however concerns were raised in the Commission that this is not cleaned frequently enough. There is potentially an opportunity in nearby supermarkets and fast food places to increase provision.

Identifying additional cold spots

The Commission did not have the resources to undertake a systemic review of current provision of publicly accessible toilets across the whole borough. The cold spots identified in the review are therefore not meant to be taken as a definitive identification of all the places in the borough with poor provision – rather the

² see Mayor of London's response to the GLA Toilet paper report, January 2022

Commission consider provision ought to be systematically reviewed as part of a toilet strategy and the below cold spots incorporated into this larger piece of work.

Toilet cold spots: Recommendation Three

Improve provision in Peckham Rye Station and the new Town Square by prioritising this in the Toilet Strategy and Town Centre plans. Together the council and Network Rail ought to provide more transparency on the plan, and options for toilets at Peckham Rye Station and new Town Square, and consult with local residents and stakeholders to bring clarity by 2025. In addition the council ought to improve Camberwell Green toilet provision by a) ensuring the library toilet is cleaned frequently enough, b) engage nearby supermarkets and fast food places through a Community Toilet Scheme.

Toilet good practice

The toilets at Sainsbury's East Dulwich were commended.

Southwark Park (Pavilion Café by the lake) has good toilets.

Dulwich Park will have the gold standard of a fully accessible Changing Place toilets that also meets heritage standards. This will cost £97,115, including the associated ground work costs. This is covered by DLUHC's Changing Places Fund. This will open up the park to disabled residents.

The East Street Market Toilets are good. They are located on Portland Street near the junction with East Street. The toilets are open six days a week, when the market is in operation. They do not have an attendant but are cleaned regularly throughout the day. Whilst the toilets were commended in the Commission as well kept, officers reported that the toilets are subject to vandalism on a regular basis.

Community Toilet Scheme (CTS)

Community Toilet Schemes (CTS) enable members of the public to use toilet facilities in a range of approved local businesses and other organisations during their opening hours. Southwark had, until recently, a Community Toilet Scheme whereby the council would work with businesses to promote use of toilets, however this has fallen into disuse over the last few years and is no longer actively supported.

Age UK London has conducted research on London schemes and provided a guide to good practice³, drawing on the findings of by Public Toilets UK. This outlines the following characteristics of successful Community Toilet Schemes:

- i. Active management by the local authority with careful selection and monitoring of the selected sites.
- ii. The CTS receives full support from the local authority from inception and on a long-term basis.
- iii. The CTS has an agreed budget.

³ London Loos in-focus: Local authorities. Community Toilet Schemes www.

- iv. The local authority maintains a high level of public toilet provision in addition to that offered by the scheme. This allows for closures, holidays and the night time economy.
- v. The local authority proactively raises awareness of the scheme through community toilet maps (offline and online), other online information, signage, community noticeboards, newsletters and information in public buildings such as libraries and community centres.
- vi. The local authority provides additional toilet provision when there are major events that might cause problems with increased demand provided.

The Commission heard from the Local Economy team who said they are willing to liaise with businesses through their fora to promote such a scheme.

There are a variety of good Community Toilet schemes, including ones in the London boroughs of Richmond upon Thames and Lewisham.

Community Toilet schemes enable the opening up of more toilets, particularly during business hours, in a resource effective way. They do require some consistent investment from the council and cannot be the only solution.

Community Toilets: Recommendation Four

Invest in a refreshed Community Toilet scheme using London boroughs, such as, Richmond upon Thames and Lewisham as examples.

Prioritise Peckham Rye, Camberwell and other toilet cold spots, in the revived Community Toilet scheme.

Anti Social Behaviour (ASB)

The Commission heard that concerns about anti-social behaviour are sometimes given as reasons not to open toilets, or restrict provision. An example of this is Peckham Rye station and Town Square where members and residents reported that concerns about ASB have been cited as a potential obstacle to delivery.

Officers said that anti-social behaviour has been an issue in Southwark and that Belair Park toilet suffered an arson attack and East Street Market Toilets have been destroyed twice, and immediately repaired, though this still means they are out of use sometimes. Despite this members reported that East Street Market Toilets are well looked after and appreciated.

The former GLA building (The Old London City Hall), is currently under new ownership and the public have been consulted about future uses. A top public concern is that the toilets, which include a Changing Place, will remain open. These toilets have previously been subject to ASB, and as a result of this, there have been changes made to reduce ASB by amending the delivery and design. It is hoped that the consultation will model keeping this provision open and reducing ASB further through engagement and good practice.

AGE UK London conducted some desk top research on the Commission's behalf on this issue, and provided a report: 'Publicly Available Toilets: problem reduction guide'⁴, and taken together this evidence made the following points:

- i. Being clear that the value of clean , safe toilets, including the economic benefits to the entire community (such as business on the high street) and positive impact on resident's health and wellbeing is of more importance than the cost to maintain public toilets.
- ii. Find out what the specific type of ASB that people are concerned about is, as vandalism , drug use, sex work or using a toilet for shelter have different causes and approaches to mitigate.
- iii. Take a partnership approach to develop measures and address concerns proactively. This can be by using various strategies such as regular monitoring, security measures, and cleanliness protocols, to ensure that the facilities are well-maintained and safe for all users. CCTV can work well.
- iv. The Police have a Designing out crime unit that undertake assessments, and regularly review Southwark's planning applications. Methods that increase safety through design include ensuring that toilets are located in places where there is good oversight by the community, that they are appealing and attractively designed, accessible and easy to maintain.
- v. Collaborate with local law and council enforcement and community organisations to deter any anti-social behaviour in the vicinity and to develop a realistic plan based on capacity.
- vi. Where possible include attendants as their presence deters many forms of ASB.

Anti Social Behaviour (ASB) : Recommendation Five

Toilets have a high value to the community and as such the cost of mitigating ASB is not a good reason to deny provision. ASB can be addressed through engagement with partners to improve location and design and make the most of local capacity to prevent and deter ASB. This ought to include understanding the types of possible ASB and working with the police (including the Designing Out Crime unit), TfL, council enforcement and community organisations to mitigate and prevent ASB. Consideration ought to be given to keeping toilets clean and well maintained, and the use of attendants where possible.

⁴ PUBLICLY AVAILABLE TOILETS PROBLEM REDUCTION GUIDE

(Getting to where you want to go!)

Third edition. Formerly - Public Conveniences: Problem Reduction Guide

Hertfordshire Constabulary Crime Prevention Design Service & The British Toilet Association

Originally authored by Staffordshire Police Crime Reduction and Community Safety Unit

Opening up Southwark's Toilets

The council estate

Since 2005 Southwark has opened up toilets in the council's estate to increase public access.

There is now an accommodation review looking at buildings in the council's control, and as part of this work, they will be looking at increasing the amount of toilets that could be opened up to the public. There are around 200 buildings in the council estate, and officers indicated that up to half may be able to be opened up to the public.

Opening up Southwark stakeholders estate toilets

There are also other stakeholders in the community who have a vested interest in better local toilet provision in the borough, whom the council could work with.

GP practices - which are independent businesses - could be asked to allow their facilities be used by the local community. The wider NHS could also be encouraged to open up their estate to the public.

TfL is also committed to improving toilet provision where funding allows. In 2022 TfL commenced an audit of its London underground facilities to make decor improvements, enable station toilets to be used over a longer period, facilitate access across the barrier, and increase information.

The Mayor for London spatial plan has a specific plan (Policy S6) that requires large developments, such as shopping centres or large community spaces, and those where new large-scale public realm is created, to provide free publicly accessible toilets suitable for a range of users.

Southwark Borough Toilets: Recommendation Six

The Commission welcomes the accommodation review of the council's estate and the potential this offers to open up more toilets to the public.

In addition the Commission recommends that the council works with borough stakeholders such as local GPs, the wider NHS, TfL and developers to maximise toilet provision in the existing estate and in future buildings.

The work on the accommodation strategy and engagement with wider stakeholders, to open up both the existing estate and expand provision, ought to be incorporated into a Toilet Strategy.

Information and Sign Posting

Southwark maps out toilet provision on the council website but the map is not always accurate.

Southwark uses AccessAble, which officers reported is a well used resource. AccessAble has launched a brand new mobile App which provides detailed access guides to thousands of places across the UK and Ireland. These guides provide step

by step descriptions of what accessibility is like at a particular place, and is created after a visit by an AccessAble Surveyor. Currently 30 community sites are listed in Southwark and officers are working to ensure information on those places is up to date.

The Great British Public Toilet Map (www.toiletmap.org.uk) was commended by Loos for Southwark. It shows toilets of all kinds and can be filtered for specific facilities including 'accessible' and 'baby-changing'. There are currently 57 toilets mapped within Southwark.

The Commission considered that paper copy maps would be useful, as produced by Lewisham. The Local Economy Team indicated they could play a role in ensuring business engagement and distribution, and anticipated that libraries would stock copies.

Information and Sign Posting: Recommendation Seven

The Commission supports the continued use of AccessAble, which is a well used resource .

In addition the Commission recommends that :

- i. The website is kept updated in the short term and over the longer term more work is done as part of a Toilet Strategy to provide accurate information to residents and visitors.
- ii. The Great British Public Toilet Map www.toiletmap.org.uk is updated, as this is an excellent resource.
- iii. A map forms part of a revised Toilet Strategy / Community Toilet scheme and this would consist of a hard copy as well as digital offer. Lewisham have an excellent printed map that would be useful to replicate in Southwark.

Toilet Strategy

Strategies are important as lots of different parts of the council have responsibility for different aspects of toilet provision. In addition the council can work with partners and other borough stakeholders, through fora such as the Health and Wellbeing Board, to collaborate on a borough wide toilet strategy. A good plan will bring these together.

Age UK say a good toilet strategy should include:

- i. Meaningful ongoing community engagement with residents. This should be a diverse group, including older residents, representative of the wider community. It is important that meaningful consultation is inclusive and that people without the internet are included.
- ii. A needs assessment based on mapping existing toilets available for public use, identifying gaps by working with communities and other partners to identify solutions.
- iii. An action plan to review and improve public information about provision. Consideration should be given to the quality of signage, maps, website

information, and the use of newsletters, media, posters and leaflets to raise awareness about toilet locations.

- iv. An aim to mainstream public toilet provision into strategic policy such as urban planning policy.

Toilet Strategy: Recommendation Eight

Develop a Toilet Strategy through engagement with a range of stakeholders, local people, mapping needs and gaps, co-creating solutions and provision of an action plan that interfaces with planning and regeneration.

Leadership

Developing and delivering a Toilet Strategy will take leadership from both elected members and officers to pull together the work of different council departments, build partnerships with community stakeholders, and engage with the public.

The Commission consider that either the cabinet member for Public Health or the cabinet member with the Environmental Health and Streets for People brief in their portfolio is best placed to provide strategic leadership. Likewise a senior officer from either the Public Health team or Environment Department would be well placed to provide officer leadership.

Leadership: Recommendation Nine

The Commission recommend that the Toilet Strategy is led by:

- III. The cabinet member for Public Health or a cabinet member with the Environmental Health and / or Streets of People brief in their portfolio
- IV. A senior officer

It is envisaged that both the cabinet member and senior officers would have a role working across different departments, and with external stakeholders , in order to champion a cross council and borough strategy.

Acknowledgements and thanks

Health and Social Care Scrutiny Commission 2023/24 members:

- Councillor Suzanne Abachor (Chair)
- Councillor Maria Linforth-Hall (Vice-Chair)
- Councillor Sandra Rhule
- Councillor Sam Dalton
- Councillor Esme Dobson
- Councillor Nick Johnson
- Councillor Sunil Chopra

Julie Timbrell, Project Manager and report author.

The Commission would like to thank all the contributors to the report, listed on page 7, and particularly Loos for Southwark local residents who freely and diligently gave their views, and John McGeachy, Campaigns Manager, Age UK London who supported Loos for Southwark and provided additional research and assistance.

Scrutiny Report

Meeting Name:	Cabinet
Date:	22 July 2024
Report title:	Report of the Environment Scrutiny Commission: Sustainable Freight scrutiny review
Lead Member:	Councillor Margy Newens, Chair, Environment Scrutiny Commission
Ward(s) or groups affected:	All wards
Classification:	Open
Reason for lateness (if applicable):	N/a

RECOMMENDATIONS

1. That the cabinet notes the recommendations of the Environment Scrutiny Commission: Sustainable Freight scrutiny review report, Appendix A, as set out on page 4 – 6 of the report.
2. That the cabinet considers the recommendations from the Commission and requests that the relevant cabinet member reports back to cabinet on the recommendations, as set out below.

BACKGROUND INFORMATION

3. The review was initiated by the commission as members believe that the council ought to deliver a coherent and realistic plan to deliver Sustainable Freight. Commercial freight is significant contributor to the borough’s carbon emissions, poor air quality and heavy and dangerous traffic on our roads.
4. During the course of the review officers informed the commission that there is an intention to complete a Sustainable Freight plan during 2024.

KEY ISSUES FOR CONSIDERATION

5. The review recommendations are written to inform the development of the emerging Sustainable Freight plan and to help ensure that it:
 - dovetails with existing strategies and plans, including the Air Quality Action Plan, Streets for People Strategy and Climate Emergency Action Plan,
 - that the energy, skills and experience of local groups delivering and advocating for Sustainable Freight are well utilized,

- That TfL/ GLA plans to support Sustainable Freight are understood and that these bodies are lobbied effectively to support the council's plans.
6. It is for cabinet to decide whether or not to accept the scrutiny commission's recommendations.
 7. Overview and scrutiny procedure rule 15.3 requires the cabinet to consider and provide a written response to the report within two months.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Environment Scrutiny Commission agenda and papers 2022/23/24	Scrutiny Team 160 Tooley Street London SE1 2QH	Julie Timbrell 020 7525 0514
Web link: https://moderngov.southwark.gov.uk/mgCommitteeDetails.aspx?ID=661		

APPENDICES

No.	Title
Appendix 1	Sustainable Freight scrutiny review report

AUDIT TRAIL

Lead Member	Councillor Margy Newens, Chair, Environment Scrutiny Commission	
Lead Officer	Everton Roberts, Head of Scrutiny	
Report Author	Julie Timbrell, Project Manager, Scrutiny	
Version	Final	
Dated	9 July 2024	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Assistant Chief Executive, Governance and Assurance	No	No
Strategic Director, Finance	No	No
Cabinet Member	No	No
Date final report sent to Constitutional Team	9 July 2024	

Environment Scrutiny Commission

Scrutiny Review Report: Sustainable Freight

May 2024

Scrutiny Report

Contents:		Page
1	FOREWORD	3
2	RECOMMENDATIONS	4
3	INTRODUCTION	7
4	EVIDENCE	7
5	CONTEXT	8
6	THEMES	10
6.1	The impact of freight on air quality, human health and ecology	10
6.2	Electric Vehicles and Particulate Matter (PM)	11
6.3	Reducing Particulate Matter from EVs	13
6.4	Fleet Services	14
6.5	Logistics hubs and last mile delivery solutions	14
	6.5.1 Road	15
	6.5.2 Rail	16
	6.5.3 River	17
6.6	Cargo Bikes	18
6.7	Parcel Deliveries	19
6.8	Procurement	20
6.9	Research and consolidation	21
7	Acknowledgments	22
Annex 1		23

Response to the EV Plan Consultation from the Environment Scrutiny Commission

1 FOREWORD

In the current culture wars, the concept of government or local authorities influencing which mode of transport is used for travel and the delivery of goods has been dressed up as a new phenomenon. However, this is not the first time that transport; and in particular, modal shift has been highly politicised. Whilst rail travel and freight declined in the post war era, from 1979, there was a politically motivated concerted effort to encourage modal shift away from rail and towards individual motorised road transport.

Cycling had also declined in the post war era, but in 1981 the GLC was elected on a programme which included significant investment in cycling infrastructure. However, that was largely quashed when, five years later, the GLC was abolished. There would be little further progress for another 2 decades, during which more and more public space would be ceded to unprecedented numbers of ever larger private vehicles, and cycling would become a marginalised and dangerous pursuit for the brave.

Modal shift to individual motorised transport was marketed as a great freedom, although it in fact played its part in the growth of household debt, boosting the profits of private banks and the control that they would have over people's lives. Meanwhile, from the 1980s this shift was prioritised, including in the transportation of goods, as a tool to undermine trade unions that had more sway on the railways than in the road haulage sector.

Even as specific political motivations have faded, we still face the legacy of decades of underinvestment in rail whilst successive governments have continued to prioritise motorised road transport and the ongoing sacrifice of public space to accommodate it. Some, in an exasperating post-truth irony, have in turns ignored the ballooning negative externalities of excessive traffic and "autobesity"¹, then accepted them as inevitable, and now blamed them on those who choose not to drive at all!

Meanwhile, Southwark has recognised that another world is possible. As congestion in cities has grown and environmental considerations become more prominent, some change is underway. A herculean effort is now needed to undo some of the damage of the past 50 years.

Councillor Margy Newens, Chair of the Environment Scrutiny Commission

¹ <https://www.forbes.com/sites/carltonreid/2024/01/22/autobesity-bloated-cars-widen-by-two-centimeters-per-year/?sh=59c389422dd8>

2 RECOMMENDATIONS

Recommendation one

The Council should join with other local authorities, the GLA, academic institutions and others as appropriate to push for more research and, where appropriate, participate in scientific trials, on non-tailpipe vehicular emissions, whether ICE vehicles or EVs, particularly with regard to the links with vehicle size and weight.

Recommendation two

The Commission recommends that the final Freight Plan adopts the same starting principle as the EV Plan, namely that: 'The most impactful [car] journey is the one that isn't taken'.

Where a vehicle is deemed necessary, the Council should actively minimise the production of particulate matter by:

- *favouring the use of the smallest possible EV for the job*
- *ensuring that drivers are trained to minimise generation of particulates*
- *using higher quality tyres, and*
- *maintaining a good quality road surface.*

Recommendation three

The Commission recommends:

- *that the Council takes full account of any learning opportunities arising from the CRP report expected in relation to the Bankside trial.*
- *That the Council collaborates with the PLA, TfL, the CRP and neighbouring boroughs to understand the infrastructure required to substantially shift freight from a road based distribution system to one which relies more heavily on rail and river interfacing directly with last-mile logistics.*
- *That the Council carry out an immediate review of plans to deliver logistics hubs that rely exclusively on the road network. This will include those described above in the Old Kent Road area and any others in the pipeline, to ensure that limited resources are not spent on over delivering road-based freight infrastructure at the expense of prioritising more sustainable options.*

- ***Any plans to deliver road based logistics hubs should be predicated on an evidence based analysis of projected need in a future where, working with partners such as the PLA, TfL, CRP and neighbouring boroughs, Southwark maximises its potential to deliver river and rail freight options.***

The Commission recommends that the findings of this work should underpin the proposed Freight Plan (2024), which should focus on reducing the overall number of vehicular freight journeys by road, prioritising instead the interface between rail, river and the use of cargo bikes to facilitate last mile delivery solutions, whilst lower down the hierarchy and on the basis of need, supporting road logistics hubs that incorporate EVs.

Recommendation four

The Council should assist in the promotion of Cargo Bikes to small business, the community and voluntary sector, and families, such as through the annual Car Free day and at venues such as Maltby Street Market and newly pedestrianised public spaces. The Council should set itself the task of organising promotions and trials of cargo bikes – perhaps together with other less conventional cycles – at least 3 times a year at different locations in the borough, for example at park fares, markets and through pop up events.

Recommendation five

The Council should enable and promote parcel lockers and other click and collect solutions in the Freight Plan.

The Council should work with other stakeholders such as TfL, the GLA and London Councils to actively engage with online retailers and push at a borough-wide and London-wide level for click and collect options to be offered and promoted to consumers as the norm.

The Council should engage with the borough's largest retailers (including those with physical premises used for online sales) to ensure that where parking space is available there is adequate priority given to offering safe access by bike as well as convenient and secure cycle parking in order to facilitate collection/transportation of purchased goods by bike.

Recommendation six

Develop a procurement policy that will deliver zero carbon emissions by 2030, as envisaged in the Climate Emergency Strategy and Action Plan, drawing on best practice, including the work of Ashden and TfL.

Recommendation seven

Undertake research to establish the principal source and destination of freight moving around the borough in order to develop an action plan to reduce the impact of freight on poor air quality.

The Freight Plan must have a research strand in order to understand, reduce and consolidate freight journeys and map their impact on air quality. This ought to include promotion of the self-service toolkits available through TfL to local business so they can conduct studies to reduce and consolidate freight.

Scrutiny Report

3 INTRODUCTION

The Commission initiated this review at the first meeting of the administrative year 2022/23, on the 18 July 2022, and decided to roll this over for completion during the administrative year 2023/34 due to time pressures arising from the additional responsibilities conferred on the Commission.

At the outset the Commission identified the following goals:

- That the Council develops a coherent and realistic plan to deliver Sustainable Freight options for Southwark that dovetail with existing strategies and plans, including the Air Quality Action Plan, Streets for People Strategy and Climate Emergency Action Plan.
- That the energy, skills and experience of local groups delivering and advocating for Sustainable Freight are well utilised.
- That TfL/ GLA plans to support Sustainable Freight are understood and that these bodies are lobbied effectively to support the Council's plans.

4 EVIDENCE

Evidence was received from the following:

- Peddle My Wheels : 'OurBike community cargo scheme' presentation and information
- Fleet Services report and cabinet paper
- Highways officer report and update
- Planning and development officer report on Logistics hubs and last mile delivery solutions
- Draft Air Quality Plan 2023 – 2027 and presentation
- Dr Ian Mudway, Imperial College London, on the health impact of particulates, in particular those arising from EVs.
- Sam Cooper, Head of Operations, ENSO Ltd – a producer of more sustainable tyres, presentation
- Streets for People plan and presentation by Cabinet Member for Climate Emergency, Clean Air and Streets , Cllr James McAsh, and officers
- Draft EV Plan and presentation
- Cross River Partnership presentations for information (CRP is a public private partnership with 8 partner London boroughs including Southwark, originally formed to deliver cross-river infrastructure projects and now addressing sustainability challenges)
- Port of London Authority, Director of Planning and Development, James Trimmer email
- Transport for London plans for Sustainable Freight – report and presentation

5 CONTEXT

Streets for People

During the course of the review the previous Movement Plan transitioned to the Streets for People strategy.

The Streets for People strategy sets out the council's commitment to improve residents' quality of life and take action on climate change by changing how we travel and use streets in our borough. The Streets for People strategy is themed around 4 areas:

- Streets for Communities
- Streets for Journeys
- Streets for the Economy
- Streets for Nature

and designed to support:

- cleaner air
- safer and quieter streets with less traffic and fewer accidents
- healthy travel options like walking, cycling or wheeling
- greener and more pleasant spaces for our communities to connect and socialise
- a better place for all who live, work, study and visit

The Streets for People strategy has three subsidiary plans that the council consulted upon at the beginning of 2024 and which have been considered under this review. These cover:

- Electric Vehicles (EV) (the Commission's response to this consultation is included as an Appendix to this document)
- Cycling
- Walking

Objective 9 of the Streets for People strategy sets out plans to reduce the impact of freight on our streets and support business to operate sustainably and efficiently. This notes that longer distance freight movements could be replaced by trains and boats.

There are two measures that the strategy commits to:

9.1 Develop and deliver a Sustainable Freight and Last Mile Delivery Hubs Plan by 2024 that prioritises areas of greatest need and potential.

9.2 Support local businesses to switch to cargo bikes and sustainable freight methods to reduce congestion and reliance on larger vehicles and to increase year-on-year proportion of commercial deliveries using low and zero-emission vehicles.

Freight Plan

During the course of the review, officers told the Commission that the council is committed to developing a Freight Plan by the end of 2024, and this is referenced as a commitment in the Streets for People strategy.

Air Quality Plan 2023 -27

During the course of the review the council produced a new Air Quality Action Plan (AQAP) as part of its duty under London Local Air Quality Management. This outlines the action the council will take to improve air quality in Southwark between 2023 and 2027.

The Air Quality Action Plan considers a range of emissions, including NO₂ and Particulate Matter (PM)

Particle pollution includes:

- PM₁₀: inhalable particles of diameter less than or equal to 10 micrometres; and
- PM_{2.5}: fine inhalable particles of diameter less than or equal to 2.5 micrometres.

(By comparison, the diameter of a single hair is about 70 micrometres.)

Southwark is meeting its legal requirements for particulate matter, but current air quality data indicates that Southwark is exceeding World Health Organisation guidelines for PM_{2.5} limits, which is the measure used by the Mayor of London. Southwark is not meeting national objectives for Nitrogen Dioxide (NO₂).

The AQAP is arranged across seven topics, four of which are relevant to the review:

Public health and awareness raising: Increasing awareness can drive behavioural change that lowers emissions and informs the public how to reduce its exposure to air pollution;

Delivery servicing and freight: Goods and service vehicles are usually diesel powered and have high NO₂ emissions. Low emission logistics requires alternatively fuelled conveyances to combat air pollution from this source;

Borough fleet actions: Southwark's fleet includes light and heavy duty diesel-fuelled vehicles such as mini buses and refuse collection vehicles with high primary NO₂ emissions. Southwark can review its own fleet procurement to lead by example;

Cleaner transport: Motor vehicles are the largest source of air pollution in London. There is a need to incentivise modal shift to walking, cycling and ultra-low emission vehicles (such as electric bikes (including electric cargo bikes) and EVs).

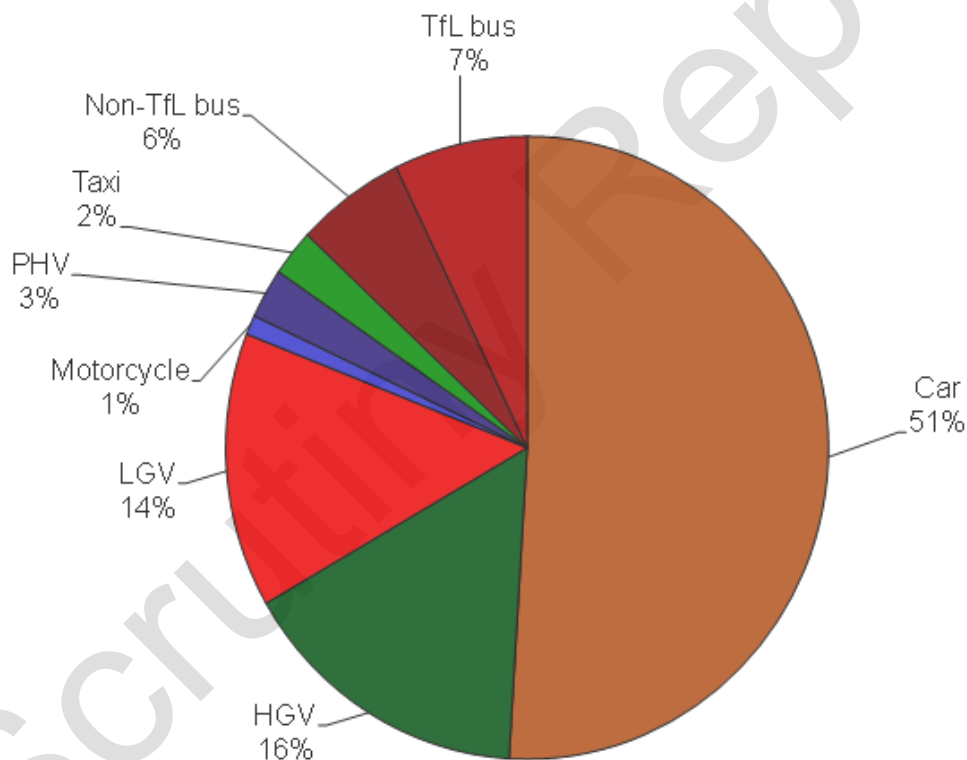
6 THEMES

6.1 The impact of freight on air quality, human health and ecology

Tailpipe Emissions

TfL told the Commission that in London, HGVs and LGVs account for 30% of road transport greenhouse gas (GHG) emissions (2019 figures), second only to cars (accounting for 51%).

TfL provided the below pie chart showing the distribution by vehicle type (2019):



HGVs are particularly harmful as these are frequently large diesel-fuelled vehicles with high primary NO₂ emissions. Dr Ian Mudway, Imperial College, told the Commission that tailpipe emissions from Internal Combustion Engines (ICE) are well understood to be toxic to human health, and diesel is one of the most toxic substances.

It is for this reason that Southwark Council's new Air Quality plan 2023-27 has a theme of addressing delivery servicing and freight, with a focus on transitioning

Southwark Council's fleet, which is 70% diesel², away from fossil fuels and towards less polluting vehicles, including EVs, wherever possible.

Because the science on the harms of tailpipe emissions is well established, there have been a number of regulatory actions at EU, national and regional level, as well as policy interventions at a local authority level, to reduce the impact on health of ICE tailpipe emissions. These include European Emission Standards for cars (Euro 1-6), ULEZ and, more locally, support for modal shift to EV, cycling and walking through plans coming under the Streets for People umbrella.

6.2 Electric Vehicles and Particulate Matter (PM)

EVs eliminate tailpipe emissions, however they are still sources of tyre, road, and brake dust. These include PM10 and PM2.5 PM. In general, EVs are heavier than ICE equivalents both due to the size/weight of the battery and the tendency over time for manufacturers to favour production of larger vehicles. This leads to greater tyre wear (although regenerative braking in EVs will reduce brake dust over time).

Researchers from Imperial College London's [Transition to Zero Pollution](#) initiative warn that six million tonnes of tyre wear particles are released globally each year; in London alone 2.6 million vehicles emit around nine thousand tonnes of tyre wear particles annually.

Tyre wear is the second-largest source of micro-plastics in our oceans and of air particulate pollution³. It is estimated that 25% of all micro-plastics in the sea are from tyres. A government report estimates that 52% of all the small particle pollution from road transport in 2021 came from tyre and brake wear, plus a further 24% from abrasion of roads and their painted markings. Just 15% of the emissions came from the exhausts of cars and a further 10% from the exhausts of vans and HGVs.

The transition from ICE to EV is gathering pace amongst car users and, increasingly, freight is switching to EVs.

Dr Ian Mudway of Imperial College told the commission that research on the harms of these particulates on human health is still emerging, and that public concern is ahead of the science. He said that, despite the gaps and uncertainties, the wisest course is to adopt the precautionary principle and seek to reduce PM production.

Sam Cooper, Head of Operations, ENSO Ltd, also gave evidence to the Commission on tyre dust. ENSO is one of six winning innovators selected by TfL's London Freight Lab, an innovation challenge aiming to reduce the adverse impacts of freight in London. ENSO Ltd. manufactures tyres which are more energy efficient, durable and sustainable than the average tyre, with the goal of extending EV range and reducing tyre pollution. ENSO's product is promoted principally to freight companies.

² October 2022 Fleet Services Briefing Note

³ According to [The Tyre Collective](#)

Sam Cooper told the Commission that because EVs are heavier and produce a higher level of torque than their ICE counterparts, tyre wear is from 20 – 50% higher, resulting in an extra 2 to 3 billion spent tyres each year.

The Commission heard that there is a sustainability problem with both the production and the disposal of tyres. The industry is carbon intensive and uses harmful chemicals; furthermore, there is a very wide variation in the speed at which different tyres wear. ENSO told the commission that its tyres use a greater proportion of recycled material and natural rubber than those produced by other manufacturers, and that its aim had been to design a tyre to wear as slowly as possible.

Dr Ian Mudway told the Commission that tyre composition is often not clear because of proprietary confidentiality making toxicology harder to establish. There is a study in Cambridge that is doing an analysis of composition and toxicology.

Air Quality colleagues told the Commission that particulate emissions from brakes and tyres are considerable, and greater in volume than tailpipe emissions. However, they added that tailpipe emissions can be acidic and thus more damaging to the lungs.

Dr Ian Mudway reported that the health impacts of tyre, brake and road dust particulates will differ from that of tailpipe emissions. Although these impacts are not yet established, the precautionary principle would be to assume that they may be equally deleterious to health.

The Commission Chair held a meeting with [The Tyre Collective](#) which is a clean-tech start-up company that has developed a device to capture tyre particulates for the monitoring of tyre wear.

Given Southwark Council's role and responsibility in public health, the Commission felt that the risks of increased particulate pollution (from tyres, brakes and road dust) associated with the proliferation of increasingly heavy private cars as well as delivery vehicles, must be taken extremely seriously.

Officers agreed that more work is required in this area. Southwark Council is working with Lambeth Council to investigate the impact of road dust, and there is room for further collaboration on this issue with the GLA. Whilst this work is somewhat beyond the scope of Southwark Council's draft Air Quality Action Plan, it would be reasonable for the Council to lobby for more research, for example by Imperial College to support further action. The Commission would like to see this prioritised given the shift to larger and heavier vehicles including EVs.

Recommendation one

The Council should join with other local authorities, the GLA, academic institutions and others as appropriate to push for more research and, where appropriate, participate in scientific trials, on non-tailpipe vehicular emissions, whether ICE vehicles or EVs, particularly with regard to the links with vehicle size and weight.

6.3 Reducing Particulate Matter from EVs

The Commission heard from ENSO, TfL and Dr Ian Mudway on approaches to reducing particulate production, and from the lead member, Cllr James McAsh on the overall strategic approach to transport in the borough as outlined in the Streets for People Strategy, and the link to the Council's Climate Emergency Action Plan. Officers also presented the draft EV Plan.

Dr Ian Mudway said the most effective way to reduce particulates is to eliminate or reduce the number of journeys taken, including by EV freight.

The Council's draft EV plan states: 'The most impactful car journey is the one that isn't taken'. The Commission endorses this approach and recommends the same approach is taken in the Freight Plan under development.

ENSO also endorsed the approach of reducing the number of journeys taken, and proposed various actions to lessen the pollution produced. ENSO recommended these three approaches to reduce and mitigate tyre particulate production:

- Improve driver behaviour: This is the most impactful measure, particularly in a city environment with lots of starting and stopping, and amongst delivery drivers with heavier vehicles.
- Improve the quality of the tyres: In trials under TfL's London Freightlab, ENSO's tyres showed a 35% reduction in tyre wear when compared with a typical budget tyre.
- Improve the road surface: The quality of the road surface significantly impacts rates of tyre degradation.

ENSO reported that there is currently little regulatory pressure to improve the environmental credentials of tyres. California appears to be the most advanced in this area and has proposed banning a chemical frequently used in tyres that has been linked to salmon deaths in waterways in the US. Meanwhile, EURO 4, 5 & 6 are focused on tailpipe emissions, while EURO 7 (due 2027) introduces particulate emissions set at a low-bar. ENSO would like to see more research on the harms of particulates and on ways to reduce their generation.

The Commission considered the draft EV Plan and the Chair submitted a response to the EV Plan consultation on behalf of the Commission (attached to this report as Appendix 1). The EV Plan includes a comprehensive list of actions to encourage residents' to transition away from ICE vehicles, and the council's transition from ICE freight, however it is largely silent on commercial EV freight. The Commission would like to see the final EV Plan dovetail with the Freight Plan in development.

Recommendation two

The Commission recommends that the final Freight Plan adopts the same starting principle as the EV Plan, namely that: 'The most impactful [car] journey is the one that isn't taken'.

Where a vehicle is deemed necessary, the Council should actively minimise the production of particulate matter by:

- ***favouring the use of the smallest possible EV for the job***
- ***ensuring that drivers are trained to minimise generation of particulates***
- ***using higher quality tyres, and***
- ***maintaining a good quality road surface.***

6.4 Fleet Services

Southwark Council's fleet contributes 1% of Southwark's carbon emissions. The Air Quality Action Plan has a theme focused on reducing these.

Officers outlined plans to decarbonise the current fleet of 330 vehicles which comprises diesel, petrol and hybrid models. Subsequently a procurement report was agreed by cabinet in October 2023.

Officers told the Commission that the top priority would be to reduce the total number of vehicles and journeys, which was welcomed by the Commission.

Officers told the Commission that electrified alternatives for smaller vehicles are easier to procure than their larger counterparts; finding more sustainable replacements for the 39 larger vehicles is much more challenging. Furthermore, the switch to EVs is dependent on installation of a charging network with significant infrastructure delivery costs.

There are actions in the cabinet report to improve driver behaviour. This approach aligns with evidence that this is an important step in reducing tyre wear and the production of all particulates.

6.5 Logistics Hubs and last mile delivery solutions

Logistics hubs and last mile delivery solutions work to reduce the number of journeys taken by heavier vehicles (HGV), moving freight to lighter goods vehicles (LGVs) and cargo bikes for the last stretch of the journey. They also often enable collection of goods on foot through solutions such as click and collect lockers.

The pandemic has accelerated the switch to online shopping and resulted in a large increase in deliveries to people's homes. This process is predicted to continue, with further significant increases in home deliveries. PWC 2023 Retail Monitoring report predicts that by 2027 the European last mile delivery market will nearly double compared to 2022 levels.⁴

⁴ <https://www.pwc.nl/en/insights-and-publications/services-and-industries/retail-and-consumer-goods/last-mile-delivery.html>

As a result of the switch to e-commerce in the context of a climate emergency, there is a rapidly growing move amongst policy makers and companies to find efficient, low cost, low carbon solutions to freight delivery in the city. This is driving the investment in logistics hubs and last mile delivery solutions.

This is supported by the Council's Southwark Plan. Freight and transport polices aim to minimise car journeys, promote walking and cycling and encourage efficient low-carbon delivery and servicing arrangements which minimise the number of motor vehicle journeys necessary.

Officers told the Commission that this approach is informed by a significant amount of evidence relating to demand, which suggests that structural changes in London's economy in recent decades have oriented business uses in Southwark increasingly towards central London, with huge growth in industries servicing central London's economy.

The locations seeing the largest investment and speediest growth are logistics hubs serviced by the road network, as these are currently logistically easier to deliver.

Meanwhile the [Cross River Partnership](#) (CRP) is pioneering work to increase the availability of rail and river freight options. CRP's research shows that achieving modal shift of freight from road to rail and river can play an important role in national and local objectives to reduce carbon emissions in accordance with targets to reach net zero, as well as improving air quality and reducing congestion on roads.

The Commission heard evidence that the rail network and the River Thames in London offer huge scope to move goods, with significant carbon savings. It was noted that goods arriving at rail and river hubs could ideally be loaded on site for last-mile delivery by sustainable transport such as cargo bike or EV. Evidence presented suggested that transferring goods from rail and river depots to road-based logistics hubs to be reloaded there for onward shipment was likely to be unnecessary and that the double handling involved would simply increase costs.

One risk the Commission identified is that we may bake in delivery infrastructure that relies on the road network, when rail and river offer far greater carbon savings as well as healthier streets. Officers suggested that, as the capacity requirements for freight delivery solutions are very large, both can be pursued together. The Commission was concerned at a lack of evidence that this approach had been properly thought through.

6.5.1 Road

There has been significant commercial investment in EV hubs for last mile delivery solutions in Southwark, with proposals and planning permission granted by the council for several large sites, often combining logistics hubs with other uses, such as residential property. The hubs include last-mile logistics (referring to the final step of the delivery process): transferring goods from a distribution centre to the end-user, and charging facilities for EVs.

These are mainly located around the Old Kent Road as anticipated in the draft Old Kent Road Area Action Plan, which seeks to retain industrial capacity across the Old Kent Road area, enabling intensification and new forms of development including logistics space in mixed use development.

These are the current schemes in different stages of development:

25 Mandela Way

The proposal is for a logistics hub focused on last-mile delivery (e.g. to office, retail outlet, block of flats or other residential property) within a four storey building that accommodates 12,500sqm of space. The intention is that the building is used to house goods delivered by large vehicles and sort them for transportation to the end consumer via more sustainable modes of transport such as cargo bikes or electric vans.

6-12 Verney Road

Like the 25 Mandela Way scheme, the proposal for 6-12 Verney Road is for a last-mile logistics hub, providing 24,227sqm of space. The building will have four storeys with logistics space at ground and first floor level and flexible logistics and industrial space above.

227-255 Ilderton Road

This mixed used development, currently under construction by Barrett Homes, provides new residential homes stacked above 2,184sqm of distribution and logistics space. The internal yard enables HGVs, smaller electric vehicles and cargo bikes to move through the building with space for loading and unloading.

Tower Bridge Business Park, Mandela Way

The Duchy of Lancaster is refurbishing its distribution hub on Mandela Way to modernise it and reduce carbon emissions. Improvements to Unit A (8,400sqm) include installation of PV panels and an air source heat pump, EV charging bays for six vehicles and improved access for motorised vehicles and bicycles. The works are currently under construction and aim to appeal to logistics and last mile operators.

6.5.2 Rail

There is increasing recognition that the rail network could be better used to move freight. In 2021, London's first Rail Freight Strategy since 2007 was published by TfL with renewed focus on express light rail freight.

The Cross River Partnership (CRP) emphasises hubs based on the rail network over road as a better solution, however there are logistical barriers to delivering this at scale in the short to medium term.

In March 2023 CRP published research it commissioned to investigate the opportunity to utilise existing station infrastructure in Southwark and Lambeth to support the efficient and sustainable delivery of freight into Central London using rail.

Waterloo and London Bridge Stations have been identified as the best locations. Waterloo in particular has huge potential as it has a very large accessible under-croft space, and good rail connections to the south west.

The initial step will be to initiate a light freight solution which treats “parcels as passengers” and anticipates using the otherwise unused space on existing passenger services to move small volumes of goods between the South West (such as Exeter and Southampton) and London Waterloo. This is easy to develop and low risk as it does not require substantial investment in logistics. However, the low volumes of freight involved mean that carbon savings are also low.

The alternative would be a ‘Dedicated Freight Multiple Unit (FMU)’ which would involve greater investment in a fully repurposed passenger train to carry larger volumes of freight from strategic freight hubs to Waterloo. This concept could replace 8,500 HGVs per year, reducing carbon emissions by 91% or 4,000MT per annum. CRP is coordinating this programme in conjunction with Southwark and Lambeth Councils and other partners. There is huge potential here as the under-croft logistic space available at London Waterloo is 100,000 to 200,000 square feet.⁵

6.5.3 River

The Port of London River Authority told the Commission that river freight offers advantages in both carbon saving and reliability. Transporting goods by river emits roughly half as much carbon per mile as transporting them by road.

Southwark is home to the first destination on the only light freight service currently operating on the river, which is undertaken by DHL and serviced by Thames Clippers. This is a daily service of packages from Heathrow airport to Wandsworth Riverside Quarter (by EV), then by vessel to Bankside Pier, and then to destination by Cargo Bike or EV.

There have been two CRP River Freight pilots, using the Thames to bring goods in and out of the city. Southwark hosted one of these river freight trials at Bankside Pier. This involved shipping office supplies plant/machinery from Dartford to Bankside Pier before last-mile delivery was made by either cargo bike or electric van. The transfer was facilitated using the bookable loading bay installed at Bankside. CRP said these trials demonstrate the potential to bring goods up the Thames and coordinate with last mile delivery services, usually by cargo bike. Officers advised the Commission that a full report is expected on the Bankside trial.

The Port of London Authority (PLA) and TFL both told the Commission that there is considerable potential to use the Thames to deliver freight, saving carbon, with Bankside in particular identified as a key site. There are logistical and capability studies and a desire on the part of TfL and the PLA to pursue this further. In order to do so, certain engineering and health and safety considerations will need to be resolved, including the strengthening of piers and infrastructure to accommodate the

⁵ Page 3 ‘On track for sustainable logistics: Integrating Rail Freight into London’s Deliveries’ Steer on behalf of Cross River Partnership. Ref: 24288601 March 2023 – Summary Report

safe movement of cargo bikes, as well as pedestrian freight for click & collect. The PLA indicated that it is keen to work with the Southwark Council on developing river freight.

Recommendation three

The Commission recommends:

- ***that the Council takes full account of any learning opportunities arising from the CRP report expected in relation to the Bankside trial.***
- ***That the Council collaborates with the PLA, TfL, the CRP and neighbouring boroughs to understand the infrastructure required to substantially shift freight from a road based distribution system to one which relies more heavily on rail and river interfacing directly with last-mile logistics.***
- ***That the Council carry out an immediate review of plans to deliver logistics hubs that rely exclusively on the road network. This will include those described above in the Old Kent Road area and any others in the pipeline, to ensure that limited resources are not spent on over delivering road-based freight infrastructure at the expense of prioritising more sustainable options.***
- ***Any plans to deliver road based logistics hubs should be predicated on an evidence based analysis of projected need in a future where, working with partners such as the PLA, TfL, CRP and neighbouring boroughs, Southwark maximises its potential to deliver river and rail freight options.***

The Commission recommends that the findings of this work should underpin the proposed Freight Plan (2024), which should focus on reducing the overall number of vehicular freight journeys by road, prioritising instead the interface between rail, river and the use of cargo bikes to facilitate last mile delivery solutions, whilst lower down the hierarchy and on the basis of need, supporting road logistics hubs that incorporate EVs.

6.6 Cargo Bikes

Cargo Bikes are an increasingly important way for freight to move around the borough, both as part of last mile delivery schemes and as a principal solution for small business that operate in the borough.

The Commission heard from Peddle My Wheels, who are running the OurBikes community cargo scheme, which is a subsidised scheme sponsored by the council to grow demand. In addition to the two initial schemes in East Dulwich, cargo bikes are now available to hire in Dulwich Village and Walworth.

Evidence shows that local businesses and young families make most use of the scheme. Young families are potentially a large market. Barriers to adoption are parking, cost, location and awareness. Small businesses, including community and voluntary groups, also have potential to grow their use of cargo bikes with more marketing and awareness building.

The council is working with a large range of business and Business Improvement Districts (BIDs) to encourage take up of cargo bikes.

Officers told the Commission that the Council has begun a consultation on the draft Cycling Plan, which includes a number of measures to support cycle freight. Most importantly, it includes using the Accessible Cycle Tool (ACT) in the design of new cycle infrastructure. The goal of the ACT is to ensure new cycle infrastructure is usable by all cycles, including cargo cycles. There are also provisions in the Cycle Plan to improve Cargo Bike parking.

Alongside the ongoing expansion of the OurBike scheme, officers said they will be exploring the potential for more cost-effective and efficient approaches to delivering cargo cycle for hire across the borough. They will also be looking at the potential for interventions that can support the transition by local business to cargo cycle freight, utilising learning from recent schemes.

Recommendation four

The Council should assist in the promotion of Cargo Bikes to small business, the community and voluntary sector, and families, such as through the annual Car Free day and at venues such as Maltby Street Market and newly pedestrianised public spaces. The Council should set itself the task of organising promotions and trials of cargo bikes – perhaps together with other less conventional cycles – at least 3 times a year at different locations in the borough, for example at park fares, markets and through pop up events.

6.7 Parcel Deliveries

The council has begun consulting on the Walking Plan, setting out how we seek to make our streets usable for all pedestrians and types of journeys, including walking freight. Officers told the Commission that the plan highlights the importance of providing local consolidation, such as parcel lockers and click and collect solutions.

A parcel locker was installed at South Dock in Rotherhithe. South Dock is home to a number of house boats whose residents had struggled to receive parcels, resulting in missed deliveries and repeat trips. The locker allows the delivery of parcels to a secure site in one trip.

TfL told the Commission that retailer lockers are being rolled out across the TfL estate, partnering with Amazon and InPost.

TfL are communicating the environmental benefits of lockers, and other sustainable shopping behaviours, to their customers at key times of year. Officers told the Commission that promoting Parcel Lockers will be part of the emerging Freight Plan.

Recommendation five

The Council should enable and promote parcel lockers and other click and collect solutions in the Freight Plan.

The Council should work with other stakeholders such as TfL, the GLA and London Councils to actively engage with online retailers and push at a borough-wide and London-wide level for click and collect options to be offered and promoted to consumers as the norm.

The Council should engage with the borough's largest retailers (including those with physical premises used for online sales) to ensure that where parking space is available there is adequate priority given to offering safe access by bike as well as convenient and secure cycle parking in order to facilitate collection/transportation of purchased goods by bike.

6.8 Procurement

The Commission would also like to see more emphasis on procurement as a lever to reduce freight emissions noting Ashden's research⁶ that procurement policies and councils' supply chains are an important lever to reduce emissions. Research by Ashden showed that in 2019/2020 English local authorities spent £63bn on procurement of goods and services from third parties, indicating considerable scope and, indeed, necessity to focus on procurement as a route to reduce carbon emissions.

Encouraging greener and more local procurement could have a significant impact. The Government has produced a 2020 Green Paper on Transforming Public Procurement. The Preston Model works with local anchor institutions and encourages greener and more local procurement.

The final Air Quality Action plan details various actions to support this under the delivery servicing and freight topic, including the development of procurement guidance for all departments to consider the impact of their procurement on air quality in Southwark. Addressing procurement as a means to reduce carbon emissions is also envisaged in the Climate Emergency Strategy and Action Plan. There is, however, no outcome specified, and this has yet to be addressed. Meanwhile, organisations such as TfL are on track to deliver zero carbon procurement by 2025. They also have a number of tools to support businesses to reduce transport emissions.

⁶ <https://ashden.org/news/need-to-know-sustainable-procurement/>

Recommendation six

Develop a procurement policy that will deliver zero carbon emissions by 2030, as envisaged in the Climate Emergency Strategy and Action Plan, drawing on best practice, including the work of Ashden and TfL.

6.9 Research and consolidation

The Commission heard that both government and business can benefit from undertaking studies to reduce the number and impact of deliveries.

TfL supports businesses and consumers in streamlining deliveries and servicing. It has self-service toolkits to assist in reducing the frequency of deliveries through consolidation, switching to cargo bikes, and receiving deliveries at quieter times. The Council could benefit from adopting and promoting the use of this toolkit in its procurement strategy.

Officers told the Commission that to aid with the implementation of Streets for People, and the Walking, Cycling and EV Plans, a borough-wide transport policy map is being developed. This will enable the gap, demographic and network analysis needed to identify opportunities for new highways interventions. This will include identifying potential locations for new freight interventions, such as loading facilities, timed access restrictions, consolidation and distribution centres, parcel lockers and cargo bike facilities.

In addition, the Commission recommends that this includes research on cargo delivered by big supermarkets and delivery companies such as Amazon. Officers told the Commission that this is a challenging area for the council to address as it is not under direct control. There are pockets of information on this area, but the council does not currently have access to the full picture.

Recommendation seven

Undertake research to establish the principal source and destination of freight moving around the borough in order to develop an action plan to reduce the impact of freight on poor air quality.

The Freight Plan must have a research strand in order to understand, reduce and consolidate freight journeys and map their impact on air quality. This ought to include promotion of the self-service toolkits available through TfL to local business so they can conduct studies to reduce and consolidate freight.

7 ACKNOWLEDGEMENTS

The Environment Scrutiny Commission members 2023/24:

Elected members

- Councillor Margy Newens (Chair)
- Councillor Graham Neale (Vice-Chair)
- Councillor Youcef Hassaine
- Councillor Cassandra Brown
- Councillor Reginald Popoola
- Councillor David Watson
- Councillor Leo Pollak

Co-optees

- Anna Colligan
- Simon Saville

Julie Timbrell, Project Manager, Scrutiny and co –report author with the Chair, Cllr Margy Newens.

The Commission would like to thank all the contributors to the report, listed above , and in section 4, Evidence, page 7.

Annex 1

Response to the EV Plan Consultation from the Environment Scrutiny Commission

31st January 2024

The Environment Scrutiny Commission broadly welcomes the Electric Vehicle Plan and the emphasis placed within it on the ongoing need to reduce all car travel.

The Commission notes that whilst EVs typically run on lower carbon fuel and have lower and less polluting tailpipe emissions than their fossil fuel counterparts, they still present significant negative environmental impacts in construction and disposal and through their non-tailpipe emissions. The fact that they are typically heavier than their fossil fuel counterparts raises their potential to produce particulates from tyres and road dust and presents an elevated risk of harm to more vulnerable road users. Whilst, rightly, there has been great emphasis in public discourse on the need to reduce carbon emissions and on the dangers of air pollution caused by tailpipe emissions, this has helped to promote a narrative in which EVs are portrayed as being environmentally innocuous.

The Commission therefore welcomes the council's ongoing efforts to bust this myth through an emphasis on improving our street environment in accordance with the council's Streets for People Strategy, prioritising active travel, micro-mobility and public transport over travel by any type of private car.

Although there is widespread acknowledgement that EVs produce elevated amounts of particulates from tyres, the Commission has been advised by a leading scientist from Imperial College that research on how these impact human health is still at an early stage. The Commission was advised that the precautionary principle is to reduce the risk of harm that particulates may cause as it is likely that they are deleterious to health and the wider environment.

The Commission recommends that the council proactively engage with agencies working to establish the impact of non-tailpipe emissions on health and the wider environment, in particular research led the GLA, Imperial College and King's College London.

The Commission notes that the nationwide lack of EV charging infrastructure is a significant limiting factor in the shift away from fossil fuel powered (ICE) vehicles towards EVs. The decision to switch to an EV will be at least substantially dependent upon guaranteed access to charging facilities and, so far, this is not available. A 2021 survey of vehicles parked in an area of Dulwich Village Ward supported anecdotal evidence that residents of a given street (i.e. of outwardly similar socio-economic status) with off street parking are far more likely to own an EV than those parking on the carriageway, the latter group being more likely to opt for a hybrid or ICE vehicle.

Thus an inevitable result of transition to EVs is the increased demand for off-street parking to facilitate home charging, which is accelerating the loss of planting and permeability in front gardens, whilst residents without this option, if they make the

shift at all, may resort to dangling cables into the highway from windows and trees or, worse still, running cables across the public footway.

At its November meeting, the Commission heard from 2 start-up companies who have designed secure pavement channels that sit flush with the pavement surface, which enable home charging without off-street parking. The gullies/channels are installed to traverse the public footway and can house an EV charging cable, enabling cars parked on the carriageway to be charged from an adjacent property without creating any kind of trip hazard.

The Commission recommends that the Council fully investigates these and similar options for their potential to enhance on-street charging capacity across the borough.

The introduction and enforcement of EV-only bays around charging points will help to maximise the accessibility of installed public charging points and the Commission welcomes this.

Even with such solutions, ensuring equal access to EV charging regardless of housing type and tenure will remain a significant challenge. This reinforces the point that reducing private car use in our borough will be integral to a fairer future across Southwark. Meanwhile, the Commission welcomes plans to trial EV charging infrastructure on its estates.

In general, there is a concern that if the accessibility of charging infrastructure on residential streets and estates fails to keep pace with expansion of charging infrastructure in destination carparks e.g. around shops and leisure centres, either on private or council land, easier/cheaper/more convenient charging at destination will incentivise more car journeys.

As acknowledged in the EV Plan, there is currently a significant deficit in rapid charging capacity across the borough. Increasing the capacity of rapid charging infrastructure will be key to ensuring the shift towards sustainable freight in the borough and the Commission welcomes these objectives.

Whilst working with landowners to scale up provision of EV charging points on private land such as in car parks around offices, shopping facilities and housing developments, it is essential that this does not serve to further reinforce the concept that visits to such spaces must be made by car. The Commission notes, for example, that most supermarkets prioritise car parking whilst offering insufficient secure parking space for cycles and cargo bikes.

The Commission recommends that any collaboration with private landlords on increasing the availability and choice of EV chargepoints should be combined with a focus on increasing secure parking capacity for both standard and non-standard bikes and generally incentivising active travel. (The Commission takes for granted that the council will adopt this approach on its own land.)

The Commission notes the ambition to increase the number of CPOs operating in the borough to provide a range of tariffs to users. The Commission welcomes the

focus on securing sustainable funding and exploring opportunities of income generation from its charging infrastructure that will, in turn, support further expansion of charging capacity and active travel opportunities.

The EV Plan includes actions to encourage residents' transition away from ICE vehicles, and the council's transition to EV freight, however it is largely silent on commercial EV freight. The Commission understands that a Freight Plan is due in spring. This is important as HGVs and LGVs account for 30% of road transport GHG emissions (2019 figures), second only to private cars (51%).

The Commission recommends that more thought is given to the interface between the EV Plan and the emerging Freight Plan strategy for the whole borough, beyond actions for the Council's own fleet.

The Commission recommends a focus on reducing the overall number of vehicular freight journeys by road, through investment in a Freight Plan that prioritises the interface with rail, river and the use of cargo bikes to facilitate last mile delivery solutions whilst, lower down the hierarchy, supporting road logistics hubs that incorporate EVs.

Meeting Name:	Cabinet
Date:	22 July 2024
Report title:	Report of the Education and Local Economy Scrutiny Commission: Review of School Amalgamations and Closures.
Lead Member:	Councillor Chloe Tomlinson, Chair, Education and Local Economy Scrutiny Commission.
Ward(s) or groups affected:	All
Classification:	Open
Reason for lateness (if applicable):	NA

RECOMMENDATIONS

1. That cabinet note the recommendations from the education and local economy scrutiny commission arising from the scrutiny review of school amalgamation and closures in the London Borough of Southwark, paragraphs 13 to 27.
2. That the cabinet considers the recommendations from the education and local economy scrutiny commission and request that the relevant cabinet member reports back to cabinet within eight weeks.

BACKGROUND INFORMATION

3. At its meeting on 19 July 2023 the education and local economy scrutiny commission received a presentation from the District & Branch Joint Secretary of National Education Union (NEU) Southwark and NEU representative on equalities data, disproportionate impact on Global Ethnic Majority (GEM) previously known as Black Asian Minority Ethnic (BAME) school staff, retention and recruitment and school staff workforce diversity.
4. At its meeting on 19 October 2023 the commission heard from Head teachers and Chair of Governors of St Mary Magdalene C of E Primary School (SMMS) on demographics, avoiding closure or amalgamation, council's role and communication and improving council strategy.
5. At the same meeting the commission received a report from representatives of the National Association of Headteachers (NAHT) on the restructure of Kintore Way (KW) Nursey School, covering financial challenges, mitigation strategies, impact on educational programs and services, collaboration plans with other educational institutions and prioritising interests of students and the community.

6. At its meeting on 5 December 2023 the commission received a verbal update from Cabinet Member for Children, Education & Refugees and Director, Children & Families, Children's and Adults' Services on SMMS, covering advertisement of nursery and consultation processes; and on KW school covering Special Educational Needs and Disabilities (SEND), resource based provisions, redundancies, additional Department for Education (DfE) funding and balancing budgets.
7. Furthermore, at the same meeting the commission received a report from the Assistant Director for SEND, Children and Adult Services and Service Development Manager, Children's and Adults' Services on Education and Healthcare Plan (EHCP) and Special Educational Needs and Disabilities Inclusion Funding (SENDIF) demand, process, timeliness and programme improvements.
8. At its meeting on 30 January 2024 the commission received a report from Director of Children & Families, Children's and Adults' Services and Head of Schools Human Resources on impact of school closures and amalgamations detailing Human Resources (HR) data. This data covered GEM, gender, sexual orientation, disability, Senior Leadership Team (SLT), school support staff, governors, GEM school staff disciplinary and flexible working.
9. At the same meeting the commission received a written update from the Executive Headteacher at KW nursery school on redundancies, impact of children with SEND, early years' strategy for SEND provisions and budget deficit recovery plan.
10. At its meeting on 22 February 2024 the commission received a report from the Executive Headteacher, Bird in Bush (BiB) school and Principal Advisor for schools at Southwark Council on the learnings and good practices from the amalgamation of Coburg and Camelot schools to form the BiB school.
11. At the same meeting the commission also interviewed the Cabinet Member for Children, Education & Refugees; and received reports and verbal updates from Schools Finance Consultant, Strategic Manager Education and Asst. Director for SEND on schools funding including nurseries, overview of maintained nurseries by demand in wards and the SEND strategy including under 5 provisions.
12. The commission considered and agreed the set of recommendations at its meeting on 14 March 2024. The rationale and commission recommendations are set out in paragraphs 13 to 27.

KEY ISSUES FOR CONSIDERATION

Set out below are the recommendations of the education and local economy scrutiny commission

13. The NEU stated to the commission in an address, that there is a trend from previous years of disproportionate impact on GEM school staff in matters of redundancies especially in cases of disciplinary and grievances. The NEU provided data which corroborated a trend, based on cases they have supported from 2018-2020, which indicated 45% of cases in Southwark NEU Branch were members from GEM groups and 5 out of 6 settlement agreements were for members from GEM group (83%).
14. Following this, officer reports on ethnic background data of school support staff impacted by school closures and amalgamations, indicate redundancy percentages in categories such as Black British (3%), Any other ethnic group (21%), Black African (3%) and Black Caribbean (21%) are slightly higher when compared to White Irish (9%), Any other White Background (3%) and White British (35 %). It is important to note here 65% of all staff affected by closures or amalgamations are school support staff and also that DfE categorises all non-white staff as GEM, as per officer understanding.

Recommendation 1 - That the cabinet in accordance with the council's commitment to tackle racial inequality and the 'Southwark Stands Together' initiative, recognises the importance of Global Ethnic Majority representation throughout the school workforce, and investigate disparities relating to HR processes especially in redundancies and retention.

And also that the Cabinet develop a long term plan to address disparities in redundancies by monitoring diversity and identifying trends over time, with actions beginning within the first quarter of the new municipal year 2024-2025 as below

- Equality Impact Assessments (EIA) are used to monitor over time, identifying trends in redundancy percentages of staff with protected characteristics across the school workforce.
 - Acknowledge and value the contributions of school support staff who are Global Majority and are in higher proportions in the school workforce and are deeply embedded in school communities
 - Work with schools, academies and local trade unions, to raise awareness of and tackle disparities in redundancies
 - Monitor retention of Global Majority staff across the school workforce, identifying any emerging trends and also respond to concerns.
15. The commission recognises the council's limitations in influencing HR processes in schools with regards to disciplinary, also noting that informal disciplinary are managed by schools internally. In addresses to the commission and presentation by NEU it was stated that 45% of

disciplinary cases (2018-2020) in Southwark NEU Branch were members from GEM. The commission also understands from officer reports of disciplinary data that 4 out of the 5 cases (80%) employees are from either any other Black background or Black Caribbean; 19.4% of all staff in LA maintained schools are from a Black background. Overall this means that a black member of staff is sixteen times more likely to be put through a disciplinary than a white member of staff. The commission also notes that the HR Schools team in the council is diverse and efforts are being made to ensure governance bodies are diverse during disciplinary cases. However, the commission feels that more can be done to address the above mentioned concerns.

Recommendation 2 - That the Cabinet to put together a long term plan to address disparities in disciplinary, with actions beginning within the first quarter of the new municipal year 2024-2025 as below

- Ensure the diversity of governance panels and governance boards involved in disciplinary cases including informal cases, with equal and fair representation of the demographic of school staff including pupils and school support staff
 - Work with schools and academies, as well as local trade unions, to raise awareness of and tackle disparities in disciplinary
16. The commission understands that Southwark's current hiring policy in schools is non-discriminatory and non-prejudicial; and also that lower number of GEM applicants could be a factor in fewer GEM staff being hired. However, the commission also notes from the NEU and officer reports that GEM staff within the ethnicity data on school staffing and Senior Leadership roles still remains low as compared to white members of staff. This indicates the hiring policy could do more to promote diversity through affirmative action. Currently schools have Continuous Professional Development (CPD) programs for Teaching Assistants (TA) and SEND training through SEND co-ordinators (SENCo). Organisations such as Southwark Teaching School Alliance have training programmes for black leaders in education. The Council as a part of its initiative to tackle racial inequality should setup more pathways for GEM applicants in areas of recruitment, training and career progression.

Recommendation 3 - That the Cabinet in accordance with the council's commitment to tackle racial inequality and the 'Southwark Stands Together' initiative, review the hiring policy in schools in an effort to increase and encourage the recruitment, training and career progression of Global Ethnic Majority (GEM) members of staff; in all levels of school staff; support staff; teaching staff, teaching assistants, Headteachers, Senior Leadership Teams and managers; within the 2024-2025 municipal year.

17. As evidenced in the discussions with SMMS and KW nursery school, there are several gaps in communication between the Council and the

affected schools. There is a distinct lack of regular updates, effective communications and meetings with Headteachers, governors and parents. In addresses from KW nursey school the commission learnt that there has been a lack of communication from the council from May 2023 until the third week of October 2023.

18. In addresses to the commission from SMMS, there was a lack of communication from the council with regards to the restructure and plans to decrease the budget deficit which could have been mitigated by measures such as nursery initiatives and resource based provisions. The commission also noted that SMMS have relatively low budget deficit of £27k. As a result of the discussions at this commission and support from senior officers, the Cabinet Member for Education and the Diocese, the nursery for SMMS was advertised with a start date of January 2024.
19. The commission also gathers from reports, as evidenced in successful amalgamations such as BiB school that communication from the school played a pivotal role in reassuring and informing the parents and community of the advantages of an amalgamation. The commission feels that the council needs to urgently address the failures in the council's communication with schools, as evidenced by examples from other schools by reviewing its communication process and also start early, regular dialogues and meetings with schools and stakeholders. Early and regular communication would have allowed schools/nurseries to work with the council to find solutions to the problems they were facing. For example in Kintore Way's case they could have expedited and put in place a budget deficit recovery plan sooner and also looked into resource based provisions. In the case of St Mary Magdalene the council could have explored the opening of a nursery class and as well as further amalgamation possibilities when it became apparent the original suggestion in the KES strategy were not appropriate..

Recommendation 4 - That the Cabinet immediately review its communication process with schools at risk of closures and amalgamations to ensure,

- Tracking of pupil numbers and the evolution within the KES strategy, with regards to schools at risk of closure/amalgamations is clearly visible to schools on an ongoing basis. That the KES strategy evolves and can respond to the reality in the ground in schools.
- Early review and mitigation measures for budgetary deficit such as nursery initiatives and resource based provisions, with a commitment to proactively working with nurseries to prevent closures.
- Clear channels of communication with schools on budget deficits as per the Keeping Education Strong strategy and also that schools receive timely responses from the council on any issues, and that the council engages and works with schools and parents when

concerns are raised, to find the best possible solutions.

20. The commission in its findings on KW nursery school learnt about the detrimental impact the changes at Kintore Way nursery would have on the wider community and especially SEND children in the community, by not being able to access SEND services as a result of the restructuring. In addition, current SEND funding structure does not account for children under 5 with SEND, the nurseries only receive £6k compared to £33k going to special schools if the child is accepted with an EHCP. The current SEND Inclusive Funding (SENDIF) of £1200 per term for under 5s' take a year to process and by then the child reaches special schools who then receive EHCP funding for the entire amount of £33k. The current budget deficit at KW is at £1m which is mainly attributed to the gap in early years SEND funding for children under 5.
21. Furthermore, families of children with SEND heavily rely on nurseries such as KW, parents need support and the expertise provided by nurseries to help them meet the needs of their SEND children. Children with special needs, need early adult interaction within the window of opportunity in their early years to help with their development. The staff at Grove & KW are highly skilled in performing tracheostomies, eye drops, tube feeding and diabetic injections within the class room environment for children with special needs, as well as in supporting their learning and development.
22. The commission learnt from representatives of NAHT that resource based provisions are being applied in other neighboring boroughs to manage the gap in funding for SEND in nurseries, and that there are examples of resource based provision in Lambeth and Wandsworth boroughs which have been provided to the council.
23. The commission in its findings on the restructuring of KW nursery learnt that the 15 planned redundancies at KW would result in a loss of under 5 SEND provision for children at the nursery, incurring a higher cost for parents in early years and even higher costs for schools in later years. The commission also noted that DfE have provided an additional funding of £0.5m for schools in need and a significant portion of the fund would go to KW nursery school. The commission also discovered that there are other schools such as Ann Bernadt Nursery School that have budget deficits and undergoing consultation on closure. The commission understands that funding issues exist across 12 schools and nurseries across Southwark and it is important that all nursery budgets with financial deficits are considered by establishing clear and transparent funding criteria's.

Recommendation 5 – That the Cabinet review nursery budgets with financial deficits and aim to reduce the impact on the nurseries' and its SEND provisions, whilst also ensuring the additional DfE funding is equitable and funding criteria's are established among nurseries in need; and also to proactively approach nurseries with budgetary deficits within

the within the first quarter of the new municipal year 2024-2025.

Recommendation 6 – That the Cabinet explore all possible options with regards to supporting all LA maintained nurseries and its provisions - , ensuring they can maintain their provision and stay open - especially but not limited to Kintore Way (KW) nursery going forward

- Early years SEND funding (EHCP) for children under 5 in nurseries
 - Pilot programme of Resource Based Provision proposed for 3 posts of staff supporting 20 SEND children in a designated area of the nursery
 - Clearly devise a long term plan for reducing the budget deficit ensuring long term financial sustainability
 - That measures such as the ones listed above are considered swiftly if any nursery is at risk of having to reduce provision or close.
24. As a result of discussions at the commission meetings, discussions between officers and schools on resource based provisions and Under 5 SEND provisions have taken place, and the arising recommendations on SEND have been sent to the council for consideration. This process must continue ensure the sector is supported.
25. Through its discussions on EHCPs with officers, and addresses from Headteachers that existing EHCP backlogs are affect the processing time for new EHCPs and can take more than the statutory 20 weeks. Existing backlogs on EHCP cases are expected to be cleared By May 2024 In some cases reception schools have to wait a year to get an EHCP for pupil, there is a need for better data visualisation and updating systems to make them capable to deal with SEND and EHCP systems. The commission also learnt that increase in EHCP cases going to Tribunals have diverse issues like therapy provision, residential provision and disagreements with parents on local provisions.
26. Furthermore, SEND needs are higher among Local Authority (LA) maintained schools, the council has plans to remodel the funding structure to provide group funding to SEND providers. This amount would be given to the group at the start of the year for the entire year, reducing bureaucratic processes and enable recruitment for SEND providers throughout the year. The council is also looking to increase the early years SEND Inclusion FUND (SENDIF) funding in the budget, also there are plans to move Southwark from a two band system to a 4 tier model with allocated percentage funding. The commission appreciates the changes being made by the council in the SEND strategy, however also acknowledges that more work is needed.

Recommendation 7 – That the Cabinet commission officers to do an in-depth review of the processes and timelines for SENDIF and EHCP, with

an aim to investigate and mitigate the factors causing backlogs and long waiting times, and also aim to complete this by May 2025.

27. It is clear to the commission that a successful amalgamation such as BiB school are a culmination of key factors; strategic leadership, effective governance and regular communication with parents and teachers. The council also recognises the importance factors such as the underlying ethos of the schools being considered for amalgamation. Schools differ in the communities they serve, diversity in demographics, cultural and religious differences.

The commission feels that, for any future amalgamations, the council needs to be proactively communicating with schools at different stages of the amalgamation process, especially providing guidance and explanations in constitutional matters whilst adhering to the timeline of 23 weeks. The commission recognises the budgetary pressures on the council and the limited funding available to help schools in need. However, more investment is needed from the council in supporting the schools with resources (officer support for closures and amalgamations) and funding for budget deficit recovery, especially in light of the further projected falling of schools rolls in the Pupil Place Planning Report.

The commission congratulates the governing body, Headteachers and council officers involved in the successful amalgamation of Coburg and Camelot. However, the commission also feels that learnings and experiences from closure of schools such as Townsend, Francesca Cabrini and St. Johns Walworth and the impact it's had on children need to be considered in future decisions on schools. It is important that schools are guided through this transition period with as much certainty and stability as possible. And for this a mixture proactivity and consistently good communication are key.

The commission also noted that the role of the Director of Education no longer exists in the council's staffing structure, and it's important to provide schools, with a clear point of contact for closures and amalgamation within the council. This might be a single point of contact for all schools regarding these issues.

Recommendation 8 – That the Council continue to provide strategic leadership and effective governance within its current processes for amalgamation of schools, factoring in some key aspects

- Demographics of both the schools with regards to diversity, faith and culture
- Adhering to amalgamation process timeline of 23 weeks
- Local Authority support and investment
- Effective communication with parents in explaining stages of the

amalgamation process.

- That the council assign resources to ensure schools are given sufficient support to oversee amalgamations (for example a project manager/single point of contact with overall responsibility)
 - In cases of amalgamations, that the council has a plan to ensure the new school is supported in giving its staff secure contracts for the year ahead; given that, a merged school is new/expanded it will not have census data from the previous year to accurately reflect expected pupil numbers
 - That the council has a process for formally reviewing all amalgamations that have taken place and ensure all lessons are learnt and where there are positive stories, these are celebrated and shared.
 - That the enormous amount of work required by the school leadership and staff for a successful amalgamation is recognised and celebrated through offering the school support for positive news coverage through a media “event”, additional Inset days for staff, special awards for staff and honoraria payments, special awards for children or the school as whole
28. It is for the cabinet to decide whether or not to accept the scrutiny commission’s recommendations.
29. Overview and scrutiny procedure rule 15.3 requires the cabinet to consider and provide a written response to the report within two months.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Education and Local Economy Scrutiny Commission agenda and minutes- 19 July 2023	Southwark Council Website	Amit Alva Amit.alva@southwark.gov.uk
Link (please copy and paste into browser): https://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=550&MId=7666&Ver=4 (see item 5)		
Education and Local Economy Scrutiny Commission agenda and minutes- 19 October 2023	Southwark Council Website	Amit Alva Amit.alva@southwark.gov.uk
Link (please copy and paste into browser): https://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=550&MId=7667&Ver=4 (see item 5 & 6)		
Education and Local Economy	Southwark Council	Amit Alva

Scrutiny Commission agenda and minutes- 5 December 2023	Website	Amit.alva@southwark.gov.uk
Link (please copy and paste into browser): https://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=550&MId=7668&Ver=4 (see item 6 & 7)		
Education and Local Economy Scrutiny Commission agenda and minutes- 30 January 2024	Southwark Council Website	Amit Alva Amit.alva@southwark.gov.uk
Link (please copy and paste into browser): https://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=550&MId=7669&Ver=4 (see item 6)		
Education and Local Economy Scrutiny Commission agenda and minutes- 22 February 2024	Southwark Council Website	Amit Alva Amit.alva@southwark.gov.uk
Link (please copy and paste into browser): https://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=550&MId=7872&Ver=4 (see item 5 & 6)		
Education and Local Economy Scrutiny Commission agenda and minutes- 14 March 2024	Southwark Council Website	Amit Alva Amit.alva@southwark.gov.uk
Link (please copy and paste into browser): https://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=550&MId=7873&Ver=4 (see item 6)		

APPENDICES

No.	Title
None	

AUDIT TRAIL

Lead Member	Councillor Chloe Tomlinson, Chair, Education and Local Economy Scrutiny Commission
Lead Officer	Everton Roberts, Head of Scrutiny
Report Author	Amit Alva, Scrutiny Officer
Version	Final

Dated	10 June 2024	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Assistant Chief Executive – Governance and Assurance	No	No
Strategic Director of Finance	No	No
Cabinet Member	No	No
Date final report sent to Constitutional Team	10 June 2024	

Scrutiny Report

Meeting Name:	Cabinet
Date:	22 July 2024
Report title:	Report of the Housing, Community Safety and Community Engagement Scrutiny Commission: Review of Housing Allocations, Homelessness, and Heating & Hot Water Outages, Fire Safety and Policing in Southwark
Lead Member:	Councillor Sam Foster, Chair, Housing, Community Safety and Community Engagement Scrutiny Commission
Ward(s) or groups affected:	All
Classification:	Open
Reason for lateness (if applicable):	NA

RECOMMENDATIONS

1. That cabinet note the recommendations from the housing, community safety and community engagement scrutiny commission arising from the scrutiny review of Housing Allocations, Homelessness, and Heating & Hot Water Outages, Fire Safety and Policing in the Borough of Southwark, paragraphs 16 to 30.
2. That cabinet request that the relevant cabinet member reports back to cabinet on the recommendations within eight weeks.

BACKGROUND INFORMATION

3. On 5 October 2023 the Housing and Community Safety Scrutiny Commission was decommissioned, and its remit was amended to include Community Engagement. For the purposes of this report, meetings up to the above date are referred to by the previous name of the commission.
4. At its first meeting on 13 July 2023, the commission reviewed the Housing Allocations and Lettings Policy for council homes and housing associations. The commission received a presentation from Deputy Cabinet Member, Councillor Leo Pollak on the housing crisis and evolution of the scheme, a refresh of the housing allocation scheme, homelessness, temporary accommodation (TA), overcrowding, the lettings system and the chain maximising approach to lettings.
5. At its meeting on 12 October 2023, the commission received a report from Strategic Project Manager on Compensations Scheme for heating outages, covering automated compensations, outages, heating system reliability and

the Office of Gas and Electricity Markets (Ofgem) policy for compensation.

6. At its meeting on 14 December 2023, the commission received a background paper from the Cabinet Member for New Homes and Sustainable Development and Program Manager for housing on the fundamentals of the homelessness strategy, and also discussed homelessness data, Home Office discharges, a consultation on draft strategy, Equality Impact Assessments (EIA), IT investment and accommodation capacity.
7. At the same meeting, the commission heard from representatives from partner organisations: the Senior Housing Liaison Officer/Housing Lead at Guy's And St. Thomas' Hospital Homeless Health Team; the St. Mungo's Southwark SPOT & SPOT Navigator Manager; and the Chair of the Southwark Homeless Forum and Director of the Southwark Law Centre. The discussion covered the homelessness forum, access to services, Council referral contacts, security procedures, joint protocol with council, complex needs support, vulnerable people, forms and assessments, evictions, rough sleepers, Accident and Emergency services (A&E), mental health issues and drug and alcohol abuse.
8. At the same meeting, the housing, community safety and community engagement scrutiny commission heard from the Borough Command Unit (BCU) Commander for Southwark and Acting Chief Inspector on policing in Southwark. The discussion encompassed London MET reform, the Baroness Casey Review, community policing, resident feedback, neighbourhood policing, PCSOs in wards, policing structure, robberies and theft snatches, Anti-Social Behaviour (ASB) and drug dealing; Violence against Women and Girls (VAWG); systemic issues within the National Policing Service (NPS) such as racism, misogyny and homophobia; and community trust and the Met's confidence improvement plan.
9. At its meeting on 6 February 2024 the commission heard from ward councillors and residents at the Rouel Road estate on heating and hot water outages including; severe outages in winter, previous action plans, incongruence of data, communication issues, repeated calls, maintenance issues, performance of repairs and contract management.
10. At the same meeting the commission also interviewed the Cabinet Member for Council Homes and also heard from the interim Strategic Director for Housing covering resident issues, investment, sustainability, challenges, contract monitoring, accountability, compensations, resident satisfaction, repairs data interrogation, Resident Improvement Board, communal repairs and repairs performance.
11. At its meeting on 29 February 2024, the commission continued to look at the heating and hot water outages on the Rouel Road Estate. It received a report from the Director of Asset Management, Head of Engineering, Gas and Water contracts manager, Strategic project manager, Contact Centre Manager and supported by the Interim Strategic Director for Housing and

Contractors (OCO & BSW). The address to the commission covered 1-to-1 consultation with residents, limitations of resources, delivery of in-house schemes, intrusive analysis of heat networks, SEL-CHIP networks, call centre processes/waiting times, heat pumps, data interpretation in report, issues with reporting, contractor monitoring, contract mechanisms and contract renewals.

12. At the same meeting, the commission interviewed the Cabinet Member for Community Safety, and also heard from Director of Stronger Neighbourhoods, Director of Environment and Neighbourhood Nuisance Service Manager. The commission also received a report on noise and nuisance and in addition the following points were covered: regulatory services licensing, night-time economy; private rented sector (PRS) enforcements and licensing; partnership working, food and safety sector, anti-social behaviour (ASB); Calm Mediation and Mayor's Office for Policing and Crime (MOPAC); disproportionate impact on Black & Ethnic minority communities, women safety hotspots, Environmental Visual Audits, women's safety survey and Police Oversight Board.
13. At its meeting on 21 March 2024 the commission interviewed the Borough Fire Commander and received statistics on fire incidents, rise of incidents by 4% in property fires, secondary fires in rubbish bins etc. down by 12%; in addition fire safety work and public messaging, care home fire safety intervention, home fire safety visits, deliberate fires (arson), fire safety checks in commercial properties (shops & dwellings), high rise buildings - risk profiles and visits, e-bike fires; community engagement for fire safety, borough risk management plan, HMO safety checks and working with ward councillors.
14. At the same meeting, the commission received a report and an address from Strategic Director for Housing, Strategic Project Manager, Head of Engineering and the Gas and Contracts Manager on district heating and hot water outages. The following points were covered sustainability of heat networks compared to individual heating systems, feasibility studies, cost effectiveness, compensation payments for block outages and individual property outages, site-by-site availability statistics, contractor penalty fines, risks with new technologies and reliability of older heating network systems. In addition, the following points were covered: procurement of new contracts, and hiring more contractors to provide more options in providing the service.
15. The commission considered and agreed the set of recommendations at its meeting on 21 March 2024. The rationale and commission recommendations are set out in paragraphs 16 to 30.

KEY ISSUES FOR CONSIDERATION

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

Housing Allocations Policy

16. The commission appreciates the novel approach to the Housing Allocations Scheme refresh; housing mobility schemes; right-sizing action plan in the current offer which includes bespoke offers, mutual exchange platforms, promotional campaigns and £1,000/room incentives. The commission discussed in detail the pilot of chain maximising approach to lettings, based on detailed data of homes needed and also the ones vacated. The commission noted the analytical approach to lettings, and also enhancing the offer for under occupiers.
17. The commission also acknowledged that a pilot project's success can only be assessed once it's implemented. However, the commission agreed that any pilot project and especially one that is complex and technical in nature needs clear targets and key performance indicators to gauge its success. Furthermore, these success criteria should be based on quantitative analysis of performance and resident satisfaction measures. The commission also discussed risks associated with this new approach, where in a tenant move could fail after it has been completed, due to the changing family circumstances and repairs related issues. The commission agreed that this could be measured by tenant satisfaction surveys.

Recommendation 1- That the Cabinet ensure a clear set of success criteria for the Housing Allocations scheme and lettings policy before they are finalised, with details on how these will be measured. This should include not only quantitative analysis of how the scheme is helping to meet housing need in the borough, but should also include post-move tenant satisfaction surveys to ensure the council is able to monitor tenants' views and experiences. Also, that the Cabinet make a clear plan to monitor and audit this data regularly. This should happen within the municipal year 2024-2025.

18. The commission also noted the objectives of the housing allocations refresh, reducing under-occupancy and overcrowding and higher volume of lets by reducing the turnaround times of void homes, which could result in savings in temporary accommodation. The commission also agreed that the Cabinet should explore policy changes for dealing with under-occupancy by encouraging private landlords of second homes, holiday homes and Airbnbs', with incentives for long term renting.

Recommendation 2- That in the review of the Housing Allocations scheme and Lettings policy, Cabinet improves incentives for residents and communication of the Rightsizing scheme, to address under-occupancy through increased uptake of the scheme, within the municipal year 2024-2025.

Homelessness

19. The commission understood from addresses of the partner organisations collectively, that there is an overwhelming need to reinstate the post of

Hospital Discharge Housing Officer. A single point of contact is essential to ensure a quick response time for most vulnerable rough sleepers. Furthermore, current processes for referrals involve emailing a large group of officers, resulting in a loss of time and resources for the council, and causing detriment to homeless people. The commission agrees that the Council should recognise the importance and significance of a single point of contact, and the positive impact it can have on the lives of the homeless with regards to the response time. The commission understands from officers that a single point of contact is being considered in the draft strategy and hopes the recommendation below will bolster the support for it.

Recommendation 3- That the Cabinet reinstate the post of the Hospital Discharge Housing Officer (as a single point of contact); and also that the Cabinet do this immediately after the adoption of the Homelessness and Rough Sleeping Strategy by the Council.

20. The commission noted the concerns of the Chair of the Homeless Forum that only 30% of callers to Bournemouth Road are getting through to the service, and that these are also the most vulnerable rough sleepers. The commission also noted that the current drop-in process at Bournemouth Road on page 61 of the draft strategy requires vulnerable people to speak through the foyer, between two closed doors guarded by a security guard. The commission understands that this is to ensure security of council staff, however this process is invasive and impersonal especially when dealing with cases of Domestic Abuse (DA) and sexual exploitation.
21. The commission also gathered from partner organisations the difficulty they face when trying to access services for the most vulnerable people, including rough sleepers, substance abuse (drug and alcohol), ex-offenders, victims of domestic abuse and sexual exploitation, women, LGBTQ+ communities and refugees being discharged from Home Office accommodation. Partner agencies are key in providing support to these cohorts and it is important that the partner organisations have a separate escalation process and contact number for appointments.
22. In addition the commission also heard from partners that the current Joint Protocol for working with partners is ineffective; the partners raised issues with contacting the council, a lack of timely responses and an overall lack of engagement with the housing options team. The commission feels that there is a strong need to investigate and address these issues. The partners also informed the commission that same day assessments take four weeks to process and it was also noted that officers were unaware of this specific issue. Furthermore, there are also issues in other areas such as long waiting times, flagging cases, updating forms and documentations and IT processes. The commission felt that a part of the issue can be attributed to the existing IT infrastructure which could be improved with some investment.

Recommendation 4- That the Cabinet in reviewing its Draft Homelessness Strategy include the recommendations below as a part of the feedback for

the consultation, which includes the following points:

- An improved, less invasive drop-in process at Bournemouth Road for homeless people, with easier in-person security and access procedures to council buildings/offices when dealing with domestic abuse and sexual exploitation victims.
- Separate escalation process and telephone contact numbers for partner agencies to book appointments.
- Resolution of the issues faced in the joint protocol working between partner agencies and the housing options team when working with refugee and asylum cases.
- Investment in better IT infrastructure, especially with regards to flagging same-day assessments, waiting times, updating forms, documentation and processes.

Heating and Hot Water Outages

23. The commission heard in great detail from ward Councillors and residents of the Rouel Road estate the immense hardships they faced in dealing with the severe heating and hot water outages since 2016. According to this evidence, issues arose after the upgrades to the heating systems at Rouel Road and previous action plans made with the council to resolve issues had not been implemented. The commission also noted issues with communication especially long call waiting times, repeated calls, incomplete repairs, planned maintenance works and incongruence of data in officer reports and resident experiences.
24. The commission was also addressed by officers in response to the above issues explaining that the long call waiting times of 40 minutes at the contact centre is due to existing repairs, all new repairs are answered in 3 minutes. Existing repairs take longer to handle as staff endeavour to get real time updates from contractors. Furthermore, that current reporting methods rely on data from plant rooms and boiler rooms; individual properties data which is challenging to report as individual heat meters need to be fitted, design permitting. In addition, installation of heat meters rely on other organisations such as British Telecom for phone lines and internet access. Officers also noted that regular maintenance and pipework is carried out at Rouel Road. The commission also noted the success of the deliveries of in-house schemes at other estates and also that Rouel Road estate upgrade happened prior to these new schemes.
25. However, the commission is clear that there is an urgent need for the Cabinet to review issues and provide solutions to the residents at Rouel Road. Furthermore, the commission also agrees that the maintenance of just plant rooms and boiler rooms is not sufficient, confirming with residents who have reported issues is paramount. In addition, the commission is also clear that current compensation scheme payments, paid only for block outages are not adequate. The commission also agrees that going forward it is important that contractors at Rouel Road are closely monitored on their KPIs.

26. Evidence from ward councillors and residents demonstrated that reporting within housing repairs (heating and hot water outages) suffers from the lack of granular data in individual properties. The council in its oversight of repairs reporting should look at individual properties repairs within the contact centre data to get a clearer picture of the issues across the borough.

Recommendation 5- That the Cabinet urgently commission officers to review the heating and hot water outages at Rouel Road Estate to make an action and delivery plan to address the problems, including:

- Resolve issues faced with customers contacting the call centre, waiting times, repeated calls and no previous system records of customer calls
- Deliver regular maintenance and servicing tasks of plant rooms and pipework including checking individual properties and confirming with residents
- Compensation payments for outages that have caused health detriments, disruption and inconvenience
- Monitor contractor Key Performance Indicators (KPI) at Rouel Road and Four Squares

Recommendation 6- That the Cabinet commission a resident consultation and engagement exercise with residents of Rouel Road Estate undertaken as soon as possible, working closely with ward councillors, focusing on post-repair resident and tenant satisfaction surveys with regards to heating and hot water outages. This should include an estate walkabout, an in-person meeting with residents, an online meeting, an online survey, and door-knocking, with the outcome of this exercise brought back to this scrutiny commission.

Recommendation 7- That the Cabinet undertake a “deep dive” into heating and hot water performance on two estates, one of which should be Rouel Road, in the winter of 2024. This should particularly focus on the gap between the self-reported experience of residents of their heating and hot water at individual properties, and the performance as indicated by centrally held data monitoring.

27. The commission understood from officers that the contract for OCO service provider is due for renewal in March 2024, it is also noted that the new contracts will provide the council with options of changing contractors in specific areas. The commission recognises the importance of continuity of service with heating and hot water repairs. However, it is clear that more robust and stricter control mechanisms are needed and especially at the start of the inception of planned upgrade works.

Recommendation 8- That the Cabinet put in place more robust and stricter controls for contract monitoring and accountability, prior to contract renewal of service providers for heating and hot water repairs in the municipal year 2024-25; and that the Cabinet should invest greater resources in the

management of contracts, including team capacity and upskilling of officers. Contract management controls should include better data monitoring and reporting standards from contractors, to enable automatic payment of compensation, which should be clawed back from the contractor, and contracts should include penalty notices for under-performance.

28. The commission notes from officer addresses that the compensation scheme first published in 2021 and due for review in 2022 was not reviewed. Furthermore, the scheme only includes automated payments for residents who have experienced outages consecutively for 24 hrs. The residents have had to report separate substantive outages through complaints. The commission also noted that shorter multiple outages in individual properties are not recorded through the call centre and contractor data, and compensation is mainly paid for block outages based on boiler room and plant room data. In addition, the current scheme does not account for the harm to health, disruptions to work and inconveniences faced by residents. Lastly, since the scheme's inception in 2021, the cost-of-living crisis and the following inflation needs to be considered.

Recommendation 9- That the Cabinet review the compensation scheme payments for heating and hot water outages being paid to residents. The compensation scheme should:

- Take account of where there are continual non-consecutive outages or shorter multiple outages
- Extended periods of time taken for resolution of existing repairs causing detriment to health, disruption and inconvenience
- Include a mechanism for automatic uprating of the compensation taking inflation into account

29. The commission discussed the issue of compensation payments to private renters that are paying all-inclusive rents (energy bills included), where in the compensation payments are being paid to private landlords. The commission also understands that there might be legal implications with payments to private renters as they have a private contract with their landlords. However, in the light of the government announcement that district heat networks are to be regulated by Ofgem in 2024, it would be a great opportunity for the council to proactively explore legal options for such payments to private renters; and also given that regulations would come in to effect in 2025 for statutory compensation payments to all users of the district heat network.

Recommendation 10 - That the Cabinet immediately review the Compensation Scheme for heating outages to find a mechanism for compensations to be paid directly to private tenants' bank accounts through an application process, rather than private landlords and leaseholders who already benefit from all-inclusive rents (included energy bills) as a part of their tenancy agreements.

Policing In Southwark

30. The commission noted from the Borough Commanders address that the MET is accountable to Mayor's Office for Policing and Crime (MOPAC) which conducts its own scrutiny. The commission learnt that the London Mayor is calling for urgency in implementing the recommendations from the Baroness Casey review to rebuild trust and confidence in the MET. The commission also understood from the Baroness Casey review that if improvements in policing are not implemented it could lead to the breakdown of MET police into national and London Police units. The commission also noted that the role of Borough Commander specifically for Southwark doesn't exist anymore; and also recognised that there is a lack of accountability due to restructuring and redundancy of Borough Commanders positions which is down from 32 to 12 BCU Commanders feeding into 4 central directorates.

Recommendation 10 - That the Cabinet member for Community Safety work with the Metropolitan Police to develop new local accountability mechanisms for policing in Southwark, and that this includes a new forum or body that allows regular, multi-ward engagement between councillors and a senior police officer for each area in the borough. The council should work with the Metropolitan Police to appoint named senior officers for each multi-ward area, to allow councillors a realistic opportunity to develop a relationship with policing at a more strategic level, and to fill the gap between ward panels and the MOPAC. This should happen within the municipal year 2024-2025.

Fire Safety in Southwark

31. The commission noted from the Borough Fire Commander interview that although e-bikes are environmentally friendly, e-bike users often modify their e-bikes using adaptive kits available online which are not up to British standards. Any such modified e-bikes are a fire risk as evident from the fire incident at Old Kent Road which prevented residents from an easy egress since they were placed in communal areas, 179 such fires have been reported in London over the past year.

Recommendation 11 – That the Cabinet investigates the emerging problem of lithium-ion battery fires in e-bikes, this should include the requirement of guidelines for storage and charging in communal areas on council estates and planning guidelines for new builds. The council should use this information to influence decisions for communal charging points and highways.

32. It is for the cabinet to decide whether or not to accept the scrutiny commission's recommendations.
33. Overview and scrutiny procedure rule 15.3 requires the cabinet to consider and provide a written response to the report within two months.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Housing and Community Safety Scrutiny Commission agenda and minutes- 13 July 2023	Southwark Council Website	Amit Alva Amit.alva@southwark.gov.uk
Link (please copy and paste into browser): https://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=605&MId=7661&Ver=4 (see item 5)		
Housing and Community Safety Scrutiny Commission agenda and minutes - 12 October 2023	Southwark Council Website	Amit Alva Amit.alva@southwark.gov.uk
Link (please copy and paste into browser): https://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=605&MId=7662&Ver=4 (see item 6)		
Housing, Community Safety and Community Engagement Scrutiny Commission agenda and minutes – 14 December 2023	Southwark Council Website	Amit Alva Amit.alva@southwark.gov.uk
Link (please copy and paste into browser): https://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=662&MId=7867&Ver=4 (see item 5 & 6)		
Housing, Community Safety and Community Engagement Scrutiny Commission agenda and minutes – 6 February 2024	Southwark Council Website	Amit Alva Amit.alva@southwark.gov.uk
Link (please copy and paste into browser): https://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=662&MId=7868&Ver=4 (see item 5 & 6)		
Housing, Community Safety and Community Engagement Scrutiny Commission agenda and minutes – 29 February 2024	Southwark Council Website	Amit Alva Amit.alva@southwark.gov.uk
Link (please copy and paste into browser):		

https://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=662&MId=7876&Ver=4 (see item 5 & 6)		
Housing, Community Safety and Community Engagement Scrutiny Commission agenda and minutes – 21 March 2024	Southwark Council Website	Amit Alva Amit.alva@southwark.gov.uk
Link (please copy and paste into browser): https://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=662&MId=7877&Ver=4 (see item 5 & 6) <i>To Follow</i>		
Baroness Casey Review	Met Police Website	
https://www.met.police.uk/SysSiteAssets/media/downloads/met/about-us/baroness-casey-review/update-march-2023/baroness-casey-review-press-notice.pdf		
https://www.met.police.uk/police-forces/metropolitan-police/areas/about-us/about-the-met/bcr/baroness-casey-review/		

APPENDICES

No.	Title
None	

AUDIT TRAIL

Lead Member	Councillor Sam Foster, Chair, Housing, Community Safety and Community Engagement Scrutiny Commission	
Lead Officer	Everton Roberts, Head of Scrutiny	
Report Author	Amit Alva, Scrutiny Officer	
Version	Final	
Dated	10 June 2024	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Assistant Chief Executive - Governance and Assurance	No	No
Strategic Director of Finance	No	No
Cabinet Member	No	No
Date final report sent to Constitutional Team	10 June 2024	

Meeting Name:	Cabinet
Date:	22 July 2024
Report title:	Report of the Education and Local Economy Scrutiny Commission: Community Wealth Building and Youth Employment
Lead Member:	Councillor Chloe Tomlinson, Chair, Education and Local Economy Scrutiny Commission
Ward(s) or groups affected:	All
Classification:	Open
Reason for lateness (if applicable):	NA

RECOMMENDATIONS

1. That cabinet note the recommendations from the education and local economy scrutiny commission arising from the scrutiny review on community wealth building and employment in the London Borough of Southwark, paragraphs 10 to 16.
2. That the cabinet considers the recommendations from the education and local economy scrutiny commission and request that the relevant cabinet member reports back to cabinet within eight weeks.

BACKGROUND INFORMATION

3. At its meeting on 19 July 2023, the education and local economy scrutiny commission received a report from the Head of Economy, evaluating Southwark's strengths and weaknesses in the 5 pillars of Community Wealth Building (CWB); plural ownership of the economy, making financial power work for local places, fair employment and just labour markets, progressive procurement of goods and services and socially productive use of land and property.
4. At its meeting on 19 October 2023 the commission received a report from the Principal Strategy Officer on Youth Employment Support covering; new economic strategy, Southwark Youth Deal, Southwark Works, apprenticeships, council delivery plan, Southwark Local Offer and Southwark Information and Advice Service (SIAS), Education Business Alliance (EBA), sub-regional partnerships, youth opportunities bullet-ins, the one hub website and care leavers website targeting young people.
5. At its meeting on 5 December 2023 the commission received a written report from Camberwell Skills and Employment Manager, St. Giles Trust on Youth Employment (YE) covering skills and employment team, wider

barriers, St. Giles approach to YE, council's role, and the schools' role & support.

6. Furthermore, at the same meeting the commission also heard from a case worker, working with young people with special needs at St. Giles trust. The case worker covered the following points; working with people having learning difficulties, disabilities, autism, 16-25 education support and training, interview preparation work, reasonable adjustments by employers, career development in schools, and two case studies on complex special needs and mental health issues. respectively
7. At its meeting on 30 January 2024, the commission heard from the Project Manager for East Street Market renovation, giving an update on; project team of community, traders and shop owners, Thriving High Street funding, regular meetings with market traders and shop owners working together and pooling resources, capacity building workshops, skills building for traders, mystery shopping exercises, housing development impact, church spaces for crèche and toilet provisions, redesigning market, zoning exercises, Wi-Fi and card machines.
8. At the same meeting, the commission also interviewed the Cabinet Member for Job, Skills and Business which covered the following points; Programme support for businesses, High Growth and Low Emissions economy, Investment and Growth stream, Green Economy stream; Thriving High Street funding stream, Inclusive neighbourhoods, Extending local ownership, Southwark Youth Deal, Flexible working, Green Jobs, Green Hub and apprenticeships.
9. The commission considered and agreed the set of recommendations at its meeting on 14 March 2024. The rationale and commission recommendations are set out in paragraphs 10 to 16.

KEY ISSUES FOR CONSIDERATION

Set out below are the recommendations of the education and local economy scrutiny commission.

Community Wealth Building

10. It is evidenced from officer addresses that the procurement of social value contracts' are only successful in certain areas of Section 106 and Southwark Works. The commission also appreciates the council's work in developing a more robust and comprehensive regional engagement program for Global Ethnic Majority (GEM) previously known as Black, Asian and Minority Ethnic (BAME) jobseekers in the borough; And also the councils role in promoting this through Southwark Stands Together and Southwark Works.
11. The commission understands from officers, that developing a central social value framework and policies for procurement is a complex and

difficult task; and needs more background research work to ascertain the core fundamentals and methodology to be used. The commission feels that it's important to have a knowledge base which includes; examples of such successful social value frameworks and policies implemented nationally. The elements of such a study could help develop a social value framework for Southwark in the future; wherein the commissioners could drive the procurement of social value contracts.

Recommendation 1 - That the Cabinet commission officers to research into the methodology (knowledge base) for creating a central social value framework and policies; which would aim to drive the procurement of social value contracts; and also that the Cabinet aim to initiate this work within the municipal year 2024-2025.

Youth Employment

12. The commission noted member comments on the paid internships and placements with the council and its partners; where in recent graduates having a 2:1 degree in areas such as Computer Science are working in gig economies and doing delivery jobs. Furthermore, the commission also understands that Universities provide undergraduate support for internships and placements well in advance of up to a year before graduation. The commission feels that undergraduates in Southwark could benefit from a change in the time line of the policy of the paid internships, being involved early in securing internships and work placements in the summer of the penultimate year before graduation.

Recommendation 2 - That the Cabinet make changes to the paid internships in Southwark; wherein current undergraduate support for internships and placements should start in the summer of the penultimate year before graduation.

13. The commission understood from the St. Giles trust case worker's address and the report that career development in schools is lacking especially with regards to career guidance and aspirations. Young people have become disenfranchised, due to a lack of social interactions during the pandemic; young people need to be guided to pursue short term goals rather than their distant future careers. The lack of career guidance in schools presents even greater challenges to young people with special needs, particularly as there is a lack of support in preparing pupils with SEND for the workplace and employers expect potential candidates to be competent on the job from day one. It is important that more is done to invest in organisations such as St. Giles trust to provide education and career development training for young people, especially young people with special needs. It's important to note here that the below recommendation might have to be considered by Cabinet Member for Education, Children and Refugees, and Cabinet Member for Jobs, Skills and Business due to overlapping remits.

Recommendation 3 – That the Cabinet develop a plan to build pathways for career development for young people, including young people with special needs in schools; with an aim to provide career guidance and aspirations, focusing on mainly short-term career goals; and also that the cabinet aim to develop this plan within the first half of the new municipal year 2024-2025.

14. The commission agrees that Southwark Works has been successful in working collaboratively with trusts such as St. Giles. However, the commission notes that there is a need to increase ring-fencing employment and work placement opportunities, whilst ensuring that employers, especially contractors live up to the the Mayor’s Good Work Standards. The commission also notes that young people would benefit by more entry level jobs created by working with partner organisations and advertised through the Southwark Works programme.

Recommendation 4 – That the Council within the next municipal year 2024-2025, review its progress on ring-fencing employment and work placement opportunities for residents of Southwark, with an aim to create more opportunities; and also review how more entry level jobs can be created by working with partner organisations in the borough and advertised through the Southwark Works programme.

Local Economy

15. The commission gathered from the St. Giles report that definitions of Better Work in Southwark Works are very specific, such as better pay and more hours. The diverse needs of the residents’ of the borough with regards to work-life balance, flexible working, reduced travel and childcare commitments, needs to be considered within these defined job progressions. The commission also notes that the tri-borough partnership with Lewisham and Lambeth aimed to find better work, specific to the individual and their circumstances, however the work in this area was paused during the pandemic.

Recommendation 5 – That the Cabinet review and revise the specific definition of job progressions within Southwark Works, with an aim to meet the varying needs of residents; and also review the progress of better work, delivered through the tri-borough partnership with Lewisham and Lambeth post-pandemic, within the municipal year 2024-2025.

16. The commission much appreciates the financial support provided to East Street Traders renovation project by the council. However it also notes that only £4800 out of the allocated £12,800 of funding has been paid, the commission feels it’s important that the current momentum (paragraph 7) in the project delivery continues, especially in light of the significant progress being made. The commission also learnt that the project would also benefit from any additional council resources, who could share their ideas, experiences and lend support, especially in organising meetings and training for traders. The project team have had successful meetings,

bringing together 100 out of the 120 traders, to pool in their resources and work together, it is important that this continues.

Recommendation 6 – That the Cabinet with urgency fulfil its commitments to East Street traders on the following

- Funding the renovation project team as per the council budgetary allocation in the cabinet reports
 - Expediting the timeline for this financial support to East Street Market renovation project, in light of significant progress being made
 - Provide resources, monitor progress and provide support in kind, to help with development of the project especially in organising meetings and training for traders.
17. It is for the cabinet to decide whether or not to accept the scrutiny commission's recommendations.
18. Overview and scrutiny procedure rule 15.3 requires the cabinet to consider and provide a written response to the report within two months.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Education and Local Economy Scrutiny Commission agenda and minutes- 19 July 2023	Southwark Council Website	Amit Alva Amit.alva@southwark.gov.uk
Link (please copy and paste into browser): https://moderngov.southwark.gov.uk/ieListDocuments.aspx?CIId=550&MIId=7666&Ver=4 (see item 6)		
Education and Local Economy Scrutiny Commission agenda and minutes- 19 October 2023	Southwark Council Website	Amit Alva Amit.alva@southwark.gov.uk
Link (please copy and paste into browser): https://moderngov.southwark.gov.uk/ieListDocuments.aspx?CIId=550&MIId=7667&Ver=4 (see item 7)		
Education and Local Economy Scrutiny Commission agenda and minutes- 5 December 2023	Southwark Council Website	Amit Alva Amit.alva@southwark.gov.uk
Link (please copy and paste into browser):		

https://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=550&MId=7668&Ver=4 (see item 5)		
Education and Local Economy Scrutiny Commission agenda and minutes- 30 January 2024	Southwark Council Website	Amit Alva Amit.alva@southwark.gov.uk
Link (please copy and paste into browser): https://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=550&MId=7669&Ver=4 (see item 5)		
Education and Local Economy Scrutiny Commission agenda and minutes- 14 March 2024	Southwark Council Website	Amit Alva Amit.alva@southwark.gov.uk
Link (please copy and paste into browser): https://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=550&MId=7873&Ver=4 (see item 6)		

APPENDICES

No.	Title
None	

AUDIT TRAIL

Lead Member	Councillor Chloe Tomlinson, Chair, Education and Local Economy Scrutiny Commission	
Lead Officer	Everton Roberts, Head of Scrutiny	
Report Author	Amit Alva, Scrutiny Officer	
Version	Final	
Dated	10 June 2024	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Assistant Chief Executive – Governance and Assurance	No	No
Strategic Director of Finance	No	No
Cabinet Member	No	No
Date final report sent to Constitutional Team	10 June 2024	

Meeting Name:	Cabinet
Date:	22 July 2024
Report title:	Motions Referred from Council Assembly
Cabinet Member:	Not applicable
Ward(s) or groups affected:	All
Classification:	Open
Reason for lateness (if applicable):	Not applicable
From:	Proper Constitutional Officer

RECOMMENDATION

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

BACKGROUND INFORMATION

2. Council assembly at its meeting on 20 March 2024 agreed several motions and these stand referred to the cabinet for consideration.
3. The cabinet is requested to consider the motions referred to it. Any proposals in a motion are treated as a recommendation only. When considering a motion, cabinet can decide to:
 - Note the motion; *or*
 - Agree the motion in its entirety, *or*
 - Amend the motion; *or*
 - Reject the motion.

KEY ISSUES FOR CONSIDERATION

4. In accordance with council assembly procedure rule 2.10.6, the attached motions were referred to the cabinet.
5. The constitution allocates responsibility for particular functions to council assembly, including approving the budget and policy framework, and to the cabinet for developing and implementing the budget and policy framework and overseeing the running of council services on a day-to-day basis.

6. Any key issues, such as policy, community impact or funding implications are included in the advice from the relevant chief officer.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Council agenda	Report on the council's website	Virginia Wynn-Jones Constitutional Team 020 7525 7055
Link: Agenda for Council Assembly on Wednesday 20 March 2024, 7.00 pm - Southwark Council		

APPENDICES

Number	Title
Appendix 1	Southwark 2030: a proud history and a vibrant future: harnessing all of the strengths of our borough to deliver opportunity for all
Appendix 2	Back the Bakerloo Line Extension
Appendix 3	A Fair Deal for Housing in Southwark
Appendix 4	Southwark Council calls for an immediate ceasefire in Gaza
Appendix 5	Protecting Play Spaces in Southwark
Appendix 6	Improving Inclusivity for People with Dyslexia

AUDIT TRAIL

Lead Officer	Chidilim Agada, Head of Constitutional and Member Services	
Report Author	Virginia Wynn-Jones, Principal Constitutional Officer	
Version	Final	
Dated	14 May 2024	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments sought	Comments included
Strategic Director of Finance	No	No
Assistant Chief Executive – Governance and Assurance	No	No
Cabinet Member	No	No
Date final report sent to Constitutional Team	14 May 2024	

APPENDIX 1**Southwark 2030: a proud history and a vibrant future: harnessing all of the strengths of our borough to deliver opportunity for all****Notes**

Southwark is a truly remarkable place. Our borough's success builds on our rich history. For centuries, Southwark has been a centre of diversity, creativity and innovation. We have much to be proud of, and every reason to have high ambitions for the decades ahead.

To continue to achieve those ambitions we must unite our community with common cause in delivering the future to which we aspire. That is why the council is working with the people and organisations of our borough to agree our shared Southwark 2030 plan. Thousands of Southwark residents and hundreds of Southwark organisations have already been involved in shaping this plan. This work is ensuring that we agree the right shared goals for the future of our borough.

Our greatest strength is the people of our borough, and the plan will therefore at its core be one that unlocks their potential. For centuries, people from across Britain and around the world have been drawn to Southwark to work, to study and make this borough their home. From the first Roman and Anglo Saxon settlers, to Flemish weavers in the fourteenth century, Dutch pottery makers in the sixteenth century and Irish labourers in the eighteenth century, to the Windrush generation from the Caribbean and Commonwealth, people from across Africa, South America, Europe and China, alongside many more people from around the world and across our country, generation after generation, have brought new ideas and cultures that have come together to make Southwark one of the most diverse and creative places in the world. Our Southwark 2030 plan will draw on all of the talent in our community to deliver the change our borough needs.

To achieve the true potential of Southwark we need to unite the people and organisations of our borough with common purpose in delivering the big changes that our community need. That is why our Southwark 2030 plan will be one jointly owned and agreed, not just by the council as the democratic leadership of the borough, but also by our wider community, public services, business, education and cultural sectors. A shared plan setting out our shared ambitions and commitment to deliver them, together with our brilliant schools and universities, our world leading hospitals, innovative businesses and vibrant voluntary, community, faith, arts and cultural sectors all playing their part.

We have many successes to build on. In the last 14 years, Southwark has achieved so much, in very hard times. Working with the community to deliver what Southwark residents want, despite huge funding pressures imposed on local public services, including the council, schools, and our NHS, from Liberal Democrat and Conservative governments.

To give just a few examples of our successes, over recent years we have:

- **Transformed our schools**, from being some of the worst in the country to being some of the best, with 98% now rated as Good or Outstanding. Our schools also have a nationally leading offer of free healthy school meals and mental health support.
- **Created thousands of good jobs**, and supported thousands of Southwark residents into them, with the number of jobs in our borough at a record high, our employment rate lifted from below the London and national average to above both, and more apprenticeships created than any other London borough.
- **Built more council and social rent homes than any other council**, with over 3,000 new council homes built or under construction and more social rent homes started than any other borough in the country since 2015.
- **Delivered new and better parks, libraries, leisure centres and theatres**, opening six new libraries since 2010, new leisure centres and parks opened and under construction at Elephant and Castle and Canada Water, millions of pounds invested in our existing parks including the complete transformation of Burgess Park, and seven new theatres opened across our borough.

The Southwark 2030 plan will build on these successes and the many others our community and Labour run council are already delivering together.

In an ever-changing national and global political environment, we must continue to raise our ambitions for our borough, making sure we are the driving force behind what happens to Southwark and the people that live, work and study here.

Last year the council embarked on Southwark 2030, to outline a shared vision for the borough, developed by people who live, work, and study in Southwark.

The development of the plan is being undertaken collaboratively with our borough community. Over 5,000 people have been involved a programme of engagement through our Social Life, Life After Covid and Southwark 2030 involvement processes.

The Southwark 2030 engagement plan has been co-designed with local community groups and public sector partners. The comprehensive approach has reached a full range of Southwark residents. Including in-depth conversations with people who live, work, study and visit the borough, held in local venues across the borough. Thirty listening events hosted by a wide range of local community and voluntary groups, organised to reach resident who are often less heard, including events hosted by women's, older people's, LGBTQ+, migrants, parents, youth, disability and religious groups. Representative surveys of Southwark residents on their aspirations for their

families and our borough. Decision at empowering ward forums. Work with schools and youth groups to hear the views of children and young people.

With local groups and organisations also given the opportunity to drive the direction of the Strategy and partners from the voluntary sector, NHS, schools universities, Police and cultural institutions activity engaged throughout.

During the consultation process residents have shared the things they love about Southwark: our vibrant and diverse culture, our fantastic schools, our drive to deliver good quality housing, our thriving small business and town centres, our green spaces and our accessible leisure centres.

We also learned about the priorities that people in Southwark want to see progress; even more and better affordable homes, reducing anti-social behaviour, increased access to the mental health support, creating cleaner air, extra chances to gain good jobs and skills, increased opportunities for young people and making sure everyone feel part of a community.

Southwark 2030 will build on what residents have told us, and ensure we have a shared plan focused on delivering on the goals that matter to our residents, ensuring:

- Children can flourish
- People can have good homes, that they can afford
- Our borough is safe
- We improve health and especially mental health
- There are good jobs for Southwark residents
- Our environment is clean and healthy
- Our neighbourhoods are great places to live.

Above all the plan will focus on closing the gaps across our community in each of the above areas. Because whilst our borough, city and country are full of opportunity, the gaps across our society means too many people in Britain today are being left behind. In Southwark, we are determined to lead in the way in closing that gap.

The work in these areas will be guided by overarching principle to guide our borough's plan between now and 2030:

- Reducing inequality
- Investing in prevention
- Empowering people.

Southwark 2030: a proud history and a vibrant future: harnessing all of the strengths of our borough to deliver opportunity for all.

1. Council assembly resolves to:

- a. Thank everyone who was involved in the engagement process so far across our community and voluntary, public, business, education and cultural sectors.

2. Council assembly asks cabinet to:

- a. Finalise and agree our Southwark 2030 Plan. This plan should deliver on the priorities of our community, including those set out above, and be developed in partnership with residents and organisations of our borough.
- b. Establish a new partnership structure with local public services, anchor organisations and key businesses to ensure that they are part of delivering this vision.
- c. Utilise this partnership to develop and agree actions that focus on the transformation changes we want to make together as we look to the future.
- d. Allocate the Southwark 2030 fund towards delivering that plan, ensuring the funding is used to deliver on these priorities.
- e. Put in place annual reporting on the progress in delivering the plan, and the goals within it.

APPENDIX 2**Back the Bakerloo Line Extension**

1. Council Assembly believes:
 - a. The Bakerloo Line Upgrade and Extension will deliver for people and businesses across our city and country, creating a more connected, productive and sustainable city and supporting the national economic growth our country needs.
 - b. The Bakerloo Line is an iconic part of the Underground, and a vital piece of economic infrastructure with 920,000 jobs – one in six in London – within a 12-minute walk of a station.
 - c. The Bakerloo Line Upgrade and Extension would have a transformational impact on London, by:
 - i. Boosting the economy:
 - Supporting 150,000 jobs in total, including nearly 10,000 directly
 - Creating 190,000 sqm of new commercial floorspace,
 - Generating £1.5bn of GVA per year
 - ii. Tackling the housing crisis:
 - Supporting 107,000 homes along the entire line
 - This includes unlocking 20,400 new homes as a direct result of the extension
 - iii. Greening our transport network:
 - Creating 150,000 additional public transport trips
 - 20,800 fewer car trips daily
 - Improving connectivity, with travel time from Old Kent Road to Oxford Circus cut by nearly two thirds from 38 minutes to 13 minutes;
2. Council Assembly notes:
 - a. The recent major construction milestone with a “bottoming out” ceremony for the new integrated ticket hall at Elephant and Castle’s Northern line tube station. The ITH will serve as the primary entrance to the Northern Line and represents the first piece of substantial infrastructure to support the proposed Bakerloo Line extension
 - b. Over the last decade, the council has invested over £70m into the Elephant & Castle tube upgrade, providing a new step-free station and integrating the Northern line with the Bakerloo Line and its anticipated extension.

- c. That the Mayor of London, and the Deputy Mayor for Transport, have offered their vocal support for the Bakerloo Line Extension.
 - d. Southwark's Cabinet have just agreed an allocation of Strategic CIL of £350,000 towards the Elephant and Castle over-ground station and £250,000 towards the Bakerloo Line Extension.
 - e. The Bakerloo Line Extension now has support from numerous Councils across London and the Leader of the Council Kieron Williams has been a key voice in rallying and securing this support.
 - f. The Bakerloo Line Extension is vital to delivering new homes, jobs and green spaces in the Old Kent Road Opportunity Area – 20,000 new homes in total, which are much needed given the current housing crisis.
 - g. That Southwark has an impressive record of affordable housing delivery along the Old Kent Road. Of the 3,333 homes already delivered or on site there, over 50% are affordable. The Bakerloo Line Extension would enable us to deliver many more genuinely affordable homes that Southwark residents need.
 - h. The Bakerloo Line Upgrade and Extension cannot happen without more support from government. Transport for London (TfL) has succeeded in boosting passenger numbers and restoring finances after the devastating impact of the pandemic. However, as with all major transport networks, TfL will need ongoing support with capital funding to maintain the network and invest in future growth.
 - i. The Government announced a short sighted and insufficient one-year capital investment deal for TfL in December. However, this provides only £250m next year, half the £500m to £600m TfL requires annually from government to meet its capital needs.
3. Council Assembly resolves to:
- a. Continue to campaign for the Bakerloo line extension working with TfL, the Mayor of London, councils across London and our wider community
 - b. Work with the Mayor of London to continue to deliver major upgrades to the transport network in Southwark to deliver for Southwark Residents including through increased bus capacity, including a Bakerloo Bus, on the Old Kent Road.

- c. Ask the Cabinet to produce a new piece of work outlining a path to secure the necessary funding from government that would see the BLE come to fruition
- d. Ensure there is continued investment from Southwark's Strategic Community Infrastructure Levy into the Bakerloo line extension
- e. After the Mayoral election in May, call on the newly elected Mayor of London to back the Bakerloo line extension.

A Fair Deal for Housing in Southwark

1. Council Assembly notes the context that Southwark finds itself in:
 - a. In the context of a housing crisis, Southwark Council is building more council homes than any other local authority. Everyone should be able to afford somewhere they can call home. That is why we are focusing on building new council homes that Southwark residents can actually afford.
 - b. Building genuinely affordable homes is the way to tackle the housing crisis. That is why since 2014 we have built or started building over 3,000 new council homes.
 - c. The latest 'London Assembly Affordable Housing Monitor 2023' reported that there were more social rent and London affordable rent starts in Southwark than in any other London council since 2015.
 - d. The council works with external partners to ensure that social rent homes are delivered as part of every major schemes. This has led, directly, to the planning consent being granted to at least 14,985 affordable homes, including 9,623 social rent homes in Southwark since 2010.
 - e. We have a plan to deliver affordable homes for Southwark residents who do not qualify for social housing, and are working on pilots for Keyworker Homes and a Community Land Trust.
 - f. We are the largest social landlord in London, and look after 55,000 homes.
 - g. The council is always working to improve our housing stock, since 2010, we have installed 23,500 new bathrooms and kitchens.
 - h. Satisfaction with repairs is now up to 90%. Feedback from residents shows has been significant improvement in our repairs and maintenance service delivery over the past 12 months, continued implementation of our repairs service improvement plan will ensure that this pace of progress continues as we head further into 2024.
 - i. The council has created a Repair Improvement Residents Board, a panel of residents who can now get involved in making decisions about their home and estates to make improvements to our service.
 - f. One third of our residents live in privately rented homes; that is why Southwark Council introduced the Gold Standard Charter (GSC) which is a voluntary scheme that rewards landlords and managing agents who provide a professional level of service and good practice to their tenants in the private rented sector.

- g. The council has now rolled out its Private Rented Property Licensing scheme, one of the largest in the country to protect residents in the private rented sector.
- h. Whilst the challenges around Temporary Accommodation are significant, we have an action plan to address homelessness and rough sleeping, set out alongside our draft strategy published for Cabinet last month. Southwark has also introduced the Good Homes Standard for Temporary Accommodation and signed the London Mayor's Charter to End Rough Sleeping
- i. We are committed to using all powers at our disposal to reduce the number of Empty Homes in the borough. The council will be extending the council tax premium in 24/25 to homes empty for one year or more, and to second homes. While there is more work to do, we are making significant progress bringing homes borough back into use and have developed a comprehensive action plan to use all the available powers to reduce the number of empty homes in the borough, in the continuing housing crises.
- j. Last week, Southwark Council hosted the Future of Council Housing summit the first of its kind, bringing together the country's largest local authority social landlords, each managing around 20,000 council homes or more. The Summit will inform a major report, authored by respected housing policy, to be published in June. It will set out a comprehensive plan to fix a broken financial model and enable councils to play their part in addressing the national housing crisis.

2. Council Assembly further notes:

- a. What Southwark has achieved is remarkable against the backdrop of all councils facing extraordinary challenges in delivering and retaining council homes.
- b. The UK is facing a national housing crisis; the scale of the challenge is huge. Across our country over a quarter of a million people are homeless, with one and a half million more living in overcrowded homes. 1 in 23 children in London are living in temporary accommodation.
- c. In addition, almost one in five council leaders and chief executives in England surveyed by the Local Government Association think it is very or fairly likely that their chief finance officer will need to issue a Section 114 notice this year or next due to a lack of funding to keep key services running.
- d. Since 2010, Conservative and Liberal Democrat governments have taken political decisions, in the full knowledge it would directly impact local government and most importantly our residents.

- e. The Affordable Housing Grant was reduced by 60% in 2010 by the Coalition, making it much harder to build social rent homes without significant borrowing and private subsidy.
 - f. That the increase in overcrowding and escalating need for temporary accommodation is worsened by the Benefit Cap agreed by the Coalition which makes it impossible for low-income families to access appropriate housing in the private rented sector in Southwark.
 - g. The Conservatives, with their former Prime Minister Liz Truss, crashed the economy with the disastrous mini budget, and as a result, house building across London and the country has stalled
 - h. There has been a significant reduction of income into the HRA when taking inflation into account as a result of 1% rent cap for 4 years, and then a 7% rent cap. This was right decision for our tenants during a cost-of-living crisis, but without central government financial support local councils are bearing this cost.
 - i. Significant new spending pressure at approx. £100 million to works from Fire and Building Safety Acts on 180 high-rise buildings, again lacking any funding support from the Government
 - j. The impact of the rent cap and the Building Safety Act costs alone will result in £40 million additional cost for Southwark Council in 2024/25.
 - k. In contrast to this, in government Labour delivered a huge upgrade to homes social rent homes – through the Decent Homes Programme, over a million homes were improved between 2001 and 2010.including 810,000 new kitchens, 610,000 new bathrooms and 1,140,000 new central heating systems.
 - l. Labour in government also presided over a halving in homelessness and all but eliminated rough sleeping
3. Council Assembly recognises:
- a. It was right that residents of Devon Mansions and Canada Estate received an unreserved apology, due to the frustration and stress caused during recent major works, and the poor communications they received throughout the project. Labour ward councillors pushed hard for residents to be heard, referring these cases to the Overview and Scrutiny Committee.
 - b. A Task and Finish Group has been established, internal and external audits will be carried out, to put right what is wrong. This root and branch examination of what went wrong here will lead to changes in

the Housing Team and how it operates, to ensure this situation never reoccurs.

- c. The Council is committed to re-establishing trust with residents, dramatically improving communication with residents and to learn from these events. Residents' voices will be heard in the investigation process and residents are helping to appoint an independent surveyor.
- d. It has been incredibly disappointing to have to temporarily pause the new homes schemes on four sites: Sceaux Gardens, Bells Gardens, Lindley Estate and Styles House. In addition, that the Council is committed to working with residents to bring forward short-term solutions for these sites, as well as viable plans for the delivery of new homes.

4. Council Assembly resolves to:

- a. Make improving the condition of our council homes the first priority for the council, continuing to improve repairs and bring forward a new Safe, Dry, Warm programme
- b. Continue to build more council homes, bringing forward plans to deliver the next round of our new council homes programme, including viable schemes on sites which are currently 'paused'.
- c. Continue to use our planning policy to secure new affordable and social homes.
- d. Campaign for Bakerloo Line Extension which would directly support an additional 10,500 homes in Southwark.
- e. Deliver on building safety and fire safety work, ensure that our homes are safe and that our residents feel safe in their homes.
- f. Imbed the learning from Devon Mansions and Canada Estates, committing to re-establishing trust with residents and dramatically improving communication with residents
- g. Roll out more protections and support for private renters, extending our licensing scheme so landlords have to meet higher standards and funding free advice services so support is there if your landlord is acting unfairly. Campaign for further powers to regulate the sector including three-year tenancies and powers to control rents.
- h. Support homeowners affected by the Cladding Crisis, campaigning for remedial costs to be paid for by developers and will do everything within our power to fight for a fair deal so that leaseholders are not left bearing these costs.

- i. We will take a zero tolerance approach to rogue landlords and empty homes, using all the powers available to the council to tackle the worst offenders and campaigning for the resources and powers to bring more long-term empty homes back into use.
- j. Following the general election work with the government to Get Britain building again by reforming planning laws to kick-start 1.5 million new homes, transport, clean energy, and new industries in all parts of the country. Because cheaper bills, the chance to own your own home, and modern infrastructure are key to growth and the foundations of security.
- k. Call on the government to invest supporting local authorities in making future improvements to council homes, and use the finding of the Council House 20 report that will be produced later this year.

Southwark Council calls for an immediate ceasefire in Gaza

1. Council assembly notes:
 - a. Our profound horror and despair at scenes that we have seen unfolding over the past five months in Israel and in Gaza.
 - b. On 7 October 2023 Hamas killed around 1,200 Israelis, and took around 240 hostages, with over 100 still being held;
 - c. Since 7 October 2023, over 30,000 Palestinians have been killed and around 1.9 million have been displaced, with Gaza now facing a severe humanitarian crisis;
 - d. That these events have led to a deeply worrying increase in antisemitism and Islamophobia across the UK.
2. Council assembly resolves to:
 - a. Stand with the residents of our borough who have been profoundly affected by this conflict, especially those who may be fearing for the lives of their families and friends currently in the region. It is an unconscionable position for far too many.
 - b. Stand firm and united against antisemitism and Islamophobia in all its forms.
 - c. Thank community leaders across our borough for the role they are playing in reducing tensions at this sensitive and difficult time.
3. Council assembly believes:
 - a. That there can be no excuse for the scale of this suffering, no excuse for terrorist attacks, hostage taking or the utterly disproportionate scale of civilian deaths in Gaza.
 - b. That the fighting must stop now, with an immediate ceasefire observed by all sides. All hostages released. The siege conditions in Gaza ended, with full access for the food medicines, electricity and supplies needed to end the humanitarian crisis.
 - c. That an immediate ceasefire must be accompanied by a political process with the support of the UN, that delivers a permanent end to this suffering and a just and lasting peace.
4. Council assembly also believes:

- a. There can be no place for hate in our borough. Southwark must be a safe place for people of all faiths and nationalities. We must support people whose families and loved ones are caught up in this conflict and extend a special welcome to anyone fleeing war and persecution, in keeping with the Southwark's tradition as a borough of sanctuary.
5. Council assembly resolves to:
- a. Work with our local Jewish, Muslim and wider community to continue to ensure antisemitism and Islamophobia are not tolerated in our borough, and to be ready to welcome refugees fleeing this conflict.
 - b. Write to the Prime Minister and Foreign Secretary to ask the UK Government to:
 - call for an immediate bilateral ceasefire and unfettered humanitarian access to Gaza
 - work to advance a serious and concerted international effort for a two-state solution and a just and lasting peace.
 - provide safe and legal routes for refugees fleeing the region
 - request central government funding to support community cohesion at a local level.

Protecting Play Spaces in Southwark

1. Council assembly notes:

- a. Access to outdoor play is fundamental to the physical, social, mental and emotional development of children.
- b. Article 31 of the UN Convention on the Rights of the Child states that Governments must “respect, protect and fulfil” the “right of the child to rest and leisure, to engage in play and recreational activities”.
- c. The UK is currently failing in that duty, with children suffering damage to their mental health and wellbeing due to the lack of accessible play spaces.
- d. The impact of Covid lockdowns on the mental health of young people is yet to be fully understood but it is a clear that we must provide every opportunity for the affected generation to play and develop socially.
- e. The disastrous cuts to local government funding implemented by the Conservative Government have left playgrounds falling into disrepair across the UK.
- f. The Southwark Plan 2022 policies P13-15 and P57 and London Plan 2021 policies D6, H16 and S4 set out the council’s requirements in respect of design and open space. These policies are relevant for amenity space, play space and open space. Open spaces are an essential resource for residents and visitors and all development should ensure that there is sufficient amenity and play space in accordance with GLA guidance. Where the council accepts that the policy requirements cannot be met fully onsite, a financial S106 planning obligation is required in order to ensure that the impact of development is mitigated.

2. Council assembly further notes:

- a. The council has just completed an initial phase of an audit of all play provision in Southwark. This has identified 200 play sites, placing Southwark and one of the best provided boroughs for play in London.
- b. In recent years the council has made significant investment into play spaces, investing;
 - I. £1.2 million at St Marys Churchyard Playground and Plaza,
 - II. £1.1 million at Camberwell Green Playground,
 - III. £680,000 at Nelson Square Playground and MUGA,
 - IV. £600,000 at Pullens Gardens Playground and park,
 - V. £500,000 at Southwark Park Playground,

- VI. £4 million at Peckham Rye Park Playground and new playroom building,
 - VII. £1.5 million at Mint Street Adventure Playground and building,
 - VIII. £700,000 at Leyton Square Playground,
 - IX. £3.3 million at Burgess Park West Playground and park expansion and
 - X. £1.5 million at Dickens Square Park Playground and park expansion.
- c. Many playground improvements are instigated by active ward councillors who have access to Cleaner, Greener Safer funding and local CIL. They can and do use this money to prioritise the improvement of play spaces within their ward. Initial development and assessment studies funded by CSG can then ensure that well designed schemes can be consulted on with the local community and additional a or external funding found to deliver these improvements.
 - d. Council recognises and is grateful for the efforts made by active ward councillors to improve play spaces in our local parks and housing estates. This can be done with initial funding from the Cleaner, Greener, Safer fund and local CIL.
 - e. This is also done, by working with local community partners to support provision of better quality play space; in locations, the Council does not direct responsibility for. An example of this can be seen at Dog Kennel Hill Adventure Playground in Champion Hill ward.
3. Council assembly resolves to:
- a. Complete the next phase on the 2024 Play Audit, which will include a detailed design and costing plan for priority play areas, and consultation with key stakeholders.
 - b. Continue to invest in our 200+ play spaces in parks and on estates.
 - c. Based on information highlighted by the Play Audit, work to secure funding for inclusive play spaces and equipment.
 - d. Based on information highlighted by the Play Audit, work to secure the funding for phase 1 for further playground investment, to encompass a range of possible actions from remedial improvements and better maintenance, additional and more inclusive accessible facilities or the full refurbishment of a site.
 - e. Establish clear prioritisation and delivery programme for further phases of playground investment and improvement.

Improving Inclusivity for People with Dyslexia

1. Council assembly notes:
 - a. The council has a duty to ensure all services and materials are accessible to everyone.
 - b. Dyslexia is a protected characteristic covered by the Equality Act 2010.
 - c. This year the council launched a new branding and visual identity that includes a guide to be used in all council documents on 'How to write in plain English' and 'Write accessible content for our website and intranet'
 - d. These contain information to ensure that all written documents and webpages are accessible to everyone.
 - e. The 'How to write in plain English guide' contains guidance on layout, headings and structure and writing style that reflect the much of the guidance within the Dyslexia friendly style guide.
 - f. Both the Dyslexia friendly style guide and Southwark's house style guide recommends:
 - I. The use of Arial typeface, no smaller than font size 12.
 - II. Avoiding the use of underlining and italics.
 - III. Avoiding the use of all capital letters and uppercase letters for continuous text.
 - IV. Using headings and styles to create consistent structure to help people navigate through your content
 - V. For headings, use a font size that is at least 20% larger than the normal text.
 - VI. Add extra space around headings and between paragraphs.
 - VII. Ensure hyperlinks look different from headings and normal text.
 - VIII. Using single colour backgrounds, avoiding background patterns or pictures and distracting surrounds.
 - IX. Using sufficient contrast levels between background and text.
 - X. Using dark coloured text on a light (not white) background.
 - XI. Left align text, without justification.
 - XII. Being concise, avoiding using long, dense paragraphs
 - XIII. Using simple clear language and every day words.
 - XIV. Using bullet points and numbering rather than continuous prose.
 - XV. Avoiding abbreviations where possible
 - g. The new house branding and visual identity does not currently offer specific guidance on:
 - I. Inter-character spacing and inter-word spacing

- II. The use of alternatives to white paper
- III. The use of matt paper rather than gloss
- IV. Using images to support text.
- V. Giving instructions clearly
- VI. Avoid double negatives
- VII. Providing a glossary of abbreviations and jargon.

2. Council assembly resolves to:

- a. Implement the full roll out and adoption of the new style guide, continuing to make all staff aware of the guides
- b. Ask officers to explore how we could incorporate guidance on the areas within the Dyslexia style guide that are not currently referenced within the new visual identity guides
- c. Regularly review documents and webpages for internal and external use, to make sure that where possible, the house guide is being followed and that all written documents and webpages are accessible to everyone on the understanding that documents may need to be tailored to be accessible to a specific audience.

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