

APPENDIX F GENERAL FUND CAPITAL BIDS NARRATIVE

Technology Digital Services (TDS) (£36.5m)

1. The TDS new bid to support future investment requirements over the full life of this 10 year programme. Key deliverables this year include the development of a new Customer Relationship Management (CRM) system to improve use of data, technology transformation following the “Future Gov” review and completion of the data centre migration and refresh of the network infrastructure.

2. Other projects over the full 10 year programme include:
 - Replacement of networking technology such as switches, wi-fi access points, and cabling for all satellite sites since the successful update of Tooley Street.
 - Upgrades of meeting room technology to match Tooley Street in all other locations.
 - Laptop replacement rolling programme for employees which have an older device.
 - Continued development of the Customer Relationship Management (CRM) system to improve use of data, case management and enhance transformation within Customer Services and Housing.
 - Continuing the investment in the Modern Data Platform to become a data led organisation.
 - Website development to enhance channels to citizens and customer portal technology.
 - IT security compliance.
 - Robotic process automation, to remove repetitive work from employees following the proof of concept with Exchequer services.
 - Intranet replacement programme, integrating with back office systems to enhance productivity.
 - Establishing a Digital programme to increase efficiency and customer experience.

Corporate Facilities Management (CFM) (£45m)

3. The CFM programme enables the council to meet its statutory responsibilities for ensuring its operational buildings are compliant with health and safety regulations and ensure the wellbeing of its employees and service users. Delivery is through a comprehensive inspection and assessment regime and building a lifecycle maintenance programme designed to enhance their life and maintain asset value. The continuous lifecycle nature of much of what CFM deliver means that the service will continue to need to draw on capital programme resources. As a result council assembly are asked to approve a new 10 year bid of £5m per annum to 2032-33.

Environment Directorate

Closure of Stoney Street to vehicular traffic (£0.9m)

4. In response to the terrorist attack at London Bridge in 2017, measures were put in place to improve the security at Stoney Street which included the installation of concrete blocks at either end of the street. Advice from counter terrorism security advisers is that the measures should be replaced with PAS68 (publicly available specification used for impact testing and rating hostile vehicle mitigation products) rated barriers. It is proposed to install fixed barriers as this will remove all risk from the use of vehicles as weapons. This capital funding is needed to supply and install the security rated barriers.

Street Lighting - Central Management System (£2.1m)

5. This is an invest-to-save proposal for the introduction of a Central Management System (CMS) for Street Lighting. Works include installation of a 'mesh' of nodes and controls for each of the 17,000 street lights on the public highway. The CMS will give us the ability to reduce our energy consumption and carbon emissions across the borough. The system will also give us a live status of street lights, ensuring we maintain a well-lit and safe network for our residents and users. The system will build on the good work already being undertaken on our Capital LED renewal Programme.

East Street market infrastructure improvements (£0.1m)

6. A key council plan target is to encourage the expansion of street markets across Southwark, East Street market being a flagship market. This capital funding is required to fund much needed investment in infrastructure in the market. This will encourage an increase in footfall and as a result will attract new traders to trade in the market thus improving the customer experience through a greater number and variety of market stalls.

Highways- Principal Road programmes (£3m)

7. Last year's independent surveys of the Principal Roads (PRs) in Southwark demonstrated a deterioration in road condition. The percentage of PRs in perfect or good condition is just over half, at 53%. The percentage of PRs in poor or defective condition is almost a quarter at 24% (18% and 6% respectively). Southwark used to benefit from approximately £600k each year from TfL to maintain the strategic PRs in Southwark. However, due to TfL's financial difficulties, there has been no funding provided for the last four years. It should be noted that over a fifth of our PRs are in a deteriorating amber condition (20%).

Whilst not yet defective, trafficking and winter weather accelerates the deterioration and almost half of our Principal Road network will be red. The capital growth bid of £3m spread over 3 years from 2024-25 will help arrest the rate of deterioration, improve the condition of our PR network and thereby minimise the percentage of roads classified as 'defective' and 'poor'.

8. The principal road network forms the main roads in the borough that carry the most traffic. While the council is working hard to reduce traffic in the borough, the principal roads need to be kept in good order as these will always form the essential routes that keep the borough moving. Many of our essential bus routes run on these roads and good maintenance is vital for the safety and comfort of bus passengers. They also enable deliveries to our businesses and essential routes for the emergency services. Patching individual potholes is a short term solution that will always need to be redone after a little time, with this money, the council will be able to carry out investment in the network that will secure a long-term solution to potholes, instead of being on the back-foot with short-term and unsightly patches. Roads blighted by potholes are the number one concern for drivers often resulting in expensive vehicle repairs and also a major concern for cyclists, bikers and pedestrians.

Cox's Walk bridge refurbishment (£0.8m)

9. Cox's Walk footbridge is a heritage structure built around 1865 and forms part of the Green Chain Walk and is an adopted highway. It was closed in 2019 on Health and Safety grounds as it was deemed to be unsafe. Cox's Walk footpath and the bridge form part of the Green Chain Walk and is an adopted highway. Consequently, we have a legal duty to keep the footbridge open and safe for public use (Section 41 Highways Act 1980).
10. The proposal to repair the bridge has been an evolving task that has taken into account all the stakeholders feedback and numerous challenges to ensure the bridge can be repaired whilst maintaining two large (mature) oak trees at the west end. Following careful consideration of a number of options, the selected option would retain the trees but at significantly higher cost than originally envisaged.
11. A design has been produced that ensures the trees are kept and that the bridge can be rebuilt and reopened for public use. The original proposals in 2018 would have cost £400k. However, since this date, there has been a redesign to ensure the maintenance of the trees and material costs have seen large increases due to high levels of current inflation.
12. The current capital budget is insufficient to cover the estimated costs of £1.2m for the reconstruction of the ramp and bridge repairs (an access ramp has to be implemented in Sydenham Wood to allow the plant to access the bridge for the

works. The construction and location of the ramp has to sustain heavy loading and vehicle movements to access the works area under the bridge). A successful £0.8m capital bid will allow full repairs and reopening of the bridge to the public in March 2024. The works will resolve all the safety issues, retain the historic nature of the bridge. This will be accompanied by a replanting programme in conjunction with the London Wildlife Trust.

Leisure Directorate

13. Since the transfer of leisure services back into the council in June 2023, the Council has been developing plans for substantial investment in its leisure estate, to improve the quality of residents' experience, maximise visits and improve physical and mental well-being, improve the impact on the climate, and reduce ongoing revenue pressures, particularly relating to energy consumption. The key leisure capital schemes are focused on improving the fabric, decoration and access to the centres. In addition, the programme will include new fitness equipment and full gym refurbishment, and various improvement works to reduce carbon emissions at the leisure centres. The overall programme, which requires a total of £13 million capital funding investment, supports the borough's leisure, health and well-being, and climate commitments.

Canada Water Leisure Centre (£1.8m)

14. Practical completion of the Canada Water is due for handover to the council in October 2024. A project board has now been established to develop and deliver the plans to fit out the new facility to meet all operational requirements. Work has been completed to identify all requirements to meet the fit-out of the building to the required standard which is estimated to be £1.6m.

15. In addition to this cost, the project will require professional support to ensure that all the building requirements have been tested, compliant and support procurement of the appropriate purchase contracts. The capital bid of £1.8m is expected to meet all planning, purchase and delivery requirements to enable the building to start trading in 2025. To ensure effective delivery, this work needs to start as soon as practical and secure the appropriate funding to enter supply contracts. The project will be a fantastic advert for the borough to demonstrate high quality investment in the future of communities' health and wellbeing.

Leisure Insourcing - Full refurbishment of all gyms (£1.6m)

16. The primary source of revenue for leisure centres is dependent on the quality of fitness facilities provided. This attracts members and supports the provision of other services. This is an extremely competitive market, which is led by consumer trends and expectations. The public gyms, with the exception of Southwark Park

Athletic and Fitness Centre, last had investment in 2016, at the start of the previous operators contract. A substantial volume of users and wear and tear on facilities have created the need to invest in gyms across the Borough to ensure the service remains competitive and meets community needs. This capital investment will demonstrate commitment to improving fitness and health facilities across the borough and creating the potential to improve community health outcomes.

Leisure centre remedial and improvement works (£8m)

17. During mobilisation of services in preparation for the transfer of the leisure facilities back to council management and operation, the Contract Facilities Management team, commissioned an in depth structural, plant and machinery survey of all assets contained within the transferring leisure centres. The brief included preparation of a five year life cycle cost plan that would ensure the leisure centres would be sustainable and provide a high standard of user experience. The report identified works which required immediate attention in the next twelve months, which is covered by the existing capital programme and a further plan for the remaining four years.
18. The capital bid is for the total cost of delivering this four year plan. The council has taken a bold step towards helping communities improve their health and well-being by in-sourcing the leisure services. This can only be achieved if the buildings for delivery of health and wellbeing services are of a sufficient and good quality for users to enjoy a positive experience. Delivery of this planned programme of capital works will ensure a high quality experience for users and enhance the council's reputation for provision of high quality public leisure facilities.

Decarbonisation of Leisure Centres (£0.6m)

19. The council has set high targets for the reductions in carbon emissions for public building by 2025. Leisure centres represent a significant part of the councils total output for public buildings and the biggest opportunity to make a significant difference.
20. In November 2022 a bid for the Public Sector Decarbonisation Scheme met all the technical requirements to support a £4.5m application for funding. The bid was not successful due to a high demand for funding and a first come serve approach for bids. A new funding stream will be available from 7 November 2023 and a repeated application for funding is being prepared. If the bid is successful, it will require a council contribution of £0.6m towards the total project costs of £5.1m to provide air source heat pumps and solar energy conservation and

decarbonisation across four leisure facilities. This investment is estimated to achieve a 556 tonnes CO₂e reduction in carbon emissions.

Leisure Insourcing - Digital Transformation (£0.5m)

21. During mobilisation of services, in preparation for the transfer of the leisure facilities back to council management and operation, a number of digital projects were identified. These projects included CCTV, audio visual equipment, provision of a booking and payment system, membership and sales software, quality management system software and contingency broadband connections. The capital programme provision of £0.5m will enable these projects to be capitalised.

Camberwell Roof Lantern (£0.5m)

22. Camberwell leisure centre is currently at significant risk of flooding due to defective roof window units. A project has been developed to replace the defective window units and create a watertight roof provision at the centre. A full investigation by the council's facilities management team identified the cause of the flooding and identified the solution. This project is seeking inclusion in the council's capital programme to enable the work to be completed and secure the future of Camberwell leisure centre and provide a quality environment for users to continue using the facility.

South Dock Marina (SDM) Boatyard Improvements (£3.05m)

23. Further investment is required to make up a budget shortfall in the SDM essential health and safety works. Additional funds are needed to facilitate container removal and to deliver a full scheme that includes ground and first floor work units to accommodate the current level of boatyard businesses.

South Dock Marina Crane (£0.4m)

24. Further investment is required to make up a budget shortfall in the project to purchase and install a new crane and boat lifting equipment for the South Dock Marina Boatyard.

Greenland Dock (£1.3m)

25. Investment is required to address failing electrical infrastructure and pontoon platforms. The budget will deliver design and installation of new electricity substation, cabling and pontoons.

New Burial Provision (£4m)

26. To undertake a scoping exercise for future burial, develop design proposals and deliver construction works to prepare cemetery areas for new burial. Investment will also be used to support implementation of 'Cemetery Conservation Management Plans'. The estimated time frame for project completion is 3 years. The initial phase includes scoping exercise to establish site constraints and opportunities. Design proposals for areas within the borough's cemeteries (protected burial land and designated public open space) will be scoped for potential return to burial use. The proposals will give careful consideration to the cemetery landscapes as attractive public open spaces in their own right as against just being burial grounds. The proposals will be developed in consultation with stakeholders, particularly local people who are key to the development and management of the cemetery and ultimately, the successful implementation of the 'Cemetery Conservation Management Plans'. Any approved proposals will be brought forward to implementation in subsequent years.

Grounds Maintenance (GM) Contract Plant and Equipment Replacement (£0.75m)

27. To repair and replace plant and machinery for the duration of the Grounds Maintenance contract extension (Oct 2023-Sep 2026) to cover the expiry of the equipment leases, at the end of the initial contract term. This includes funding new lease agreements on approximately 14 vehicles, plus the purchase of mowers, sweepers and other grounds maintenance equipment.

Planning and Growth Directorate

5 year rolling programme – (£10m)

28. The commercial estate provides an important income stream to the council. However from time to time investment is required to ensure the minimisation of voids, the maximum rents can be charged and new legislation met. The majority of the funding is required for the full refurbishment of vacant commercial property (including London Bridge portfolio, Sojourners Truth Centre, Tower Workshops and other new acquisitions) high quality office in a prime central London location with the potential to generate significant income for which additional savings have been assumed in the recent budget challenge sessions. Works to the wider estate will also include environmental works not only to meet legislation but to also contribute towards the council's net zero target. The investment is expected to deliver £1.1m over the next 3 years as a minimum, and this has been built into

the 24/25 Budgets (subject to Cabinet approval). The council's aim is to bring more properties back into use, thereby increasing its potential to generate income in the medium to long term.

29. The details of some of these projects can be summarised as follows;

- LB Portfolio: replace HVAC and other works to improve EPC ratings and improve vacant space for re-letting. This work will help us achieve market rents and mitigate void periods
- Sojourner: this is to complete the repair and refurbishment programme to the building, protecting the GII asset and also bringing vacant space up to lettable condition
- Tower Workshops: the common parts toilets need full replacement. Some other areas of the common parts also require upgrading to include lighting. This work will help secure new lettings and lease renewals at market rents.
- 22 Shand Street. Acquired as an income generating / investment asset forming part of a wider land holding creating significant strategic and development potential. Income potential £950k p.a. subject to the completion of a full refurbishment of the property