

## Appendix B: DEPARTMENTAL NARRATIVES

### ENVIRONMENT NEIGHBOURHOODS AND GROWTH

1. The total value of the capital programme for the department is currently £219.6m for the 10 year programme. The projected 2023-24 outturn is £62m against the revised budget of £96.4m (after allowing for reprofiling of budgets due to slippage in this year's programme).
2. Year to date spend is currently only £19.3m as billing for completed works is behind schedule. However, significant commitments have been made to avoid slippage and the department is setting up a capital programme review board to strengthen the focus on capital projects and their delivery. This should resolve any bottlenecks that may be preventing delivery to plan.
3. Table 1 below summaries the 2023-24 financial position by key schemes and responsible division:

	2023/24						
	Agreed Budget	Budget Virements	Budget Variations	Revised Budget	Spend	Forecast	Variance
	£	£	£	£	£	£	£
Leisure	1,521,631	0	0	1,521,631	515,771	1,471,631	(50,000)
South Dock Marina	2,103,826	0	0	2,103,826	102,145	175,000	(1,928,826)
Parks	7,196,404	0	80,208	7,276,612	3,865,886	7,117,096	(159,516)
Culture	1,004,660	0	10,000	1,014,660	261,384	452,000	(562,660)
<b>TOTAL - Leisure &amp; Culture</b>	<b>11,826,521</b>	<b>0</b>	<b>90,208</b>	<b>11,916,729</b>	<b>4,745,186</b>	<b>9,215,727</b>	<b>(2,701,002)</b>
Climate Change and Sustainability	6,283,829	98,877	0	6,382,706	397,916	3,654,820	(2,727,886)
<b>TOTAL - Climate Change and Sustainability</b>	<b>6,283,829</b>	<b>98,877</b>	<b>0</b>	<b>6,382,706</b>	<b>397,916</b>	<b>3,654,820</b>	<b>(2,727,886)</b>
Street Lighting	835,282	0	0	835,282	0	835,282	0
Regulatory Services	2,367,817	0	0	2,367,817	97,497	1,282,617	(1,085,200)
StreetCare	6,484,047	0	0	6,484,047	3,725,567	6,184,047	(300,000)
Other PR Projects	2,412,034	0	140,000	2,552,034	1,344,280	2,013,948	(538,086)
LIP PROGRAMME	3,992,445	0	50,000	4,042,445	2,210,900	3,707,445	(335,000)
Cleaner Greener Safer	1,880,000	82,942	0	1,962,942	1,201,721	1,947,942	(15,000)
Street Market	0	0	0	0	0	0	0
<b>TOTAL - Environment</b>	<b>17,971,625</b>	<b>82,942</b>	<b>190,000</b>	<b>18,244,567</b>	<b>8,579,965</b>	<b>15,971,281</b>	<b>(2,273,286)</b>
Planning	2,076,536	0	0	2,076,536	282,547	1,139,631	(936,905)
Sustainable Growth - North	19,370,071	0	0	19,370,071	4,367,653	13,802,010	(5,568,061)
Sustainable Growth - South	18,609,793	0	370,747	18,980,540	179,977	6,351,594	(12,628,946)
Sustainable Growth - Capital Projects	8,530,210	0	0	8,530,210	309,564	1,023,316	(7,506,894)
Property Services	2,307,852	0	0	2,307,852	276,445	2,307,852	0
E&C REFCUS(Regen North)	8,550,000	0	0	8,550,000	3,750,000	8,550,000	0
<b>TOTAL - Planning &amp; Growth</b>	<b>59,444,462</b>	<b>0</b>	<b>370,747</b>	<b>59,815,209</b>	<b>9,166,186</b>	<b>33,174,403</b>	<b>(26,640,806)</b>
<b>TOTAL</b>	<b>95,526,436</b>	<b>181,819</b>	<b>650,955</b>	<b>96,359,210</b>	<b>22,889,253</b>	<b>62,016,230</b>	<b>(34,342,980)</b>

4. The progress of some of the major programmes by Division are detailed below:-

### **Climate Change & Sustainability Division**

5. The projected 2023-24 outturn is £3.7m against the revised budget of £6.4m mainly due to slippage.
6. Cabinet agreed an additional £25m capital budget to enable the council to do more, faster, to reduce carbon emissions. £21m of the £25m has been allocated to strategic project areas that meet our carbon reduction ambition as set out in the council's climate action plan. This is profiled over the next 7 years.
7. Recent work undertaken includes the installation of the energy saving measures, including heat pumps at the Burgess Park sports hub and the Peckham Library upgrade. The council has also opened its first 'library of things' at Canada Water Library, expanding the council's libraries offer through the provision of household items to rent. LED lighting was recently completed at the Burgess Park BMX track, while LED Street Lighting, cycle hanger and EV charging programmes have also seen their delivery rapidly increased through this funding. The council has also planted its first 'Tiny Forest' at Peckham Rye. Funding has recently been allocated to begin improving the energy efficiency of the council's leisure centres and will also be used to purchase 4 new electric refuse collection vehicles for household waste collection.

### **Leisure Division**

8. The projected 2023-24 outturn is £9.2m against the revised budget of £11.9m mainly due to slippage.

#### *Parks, Leisure Centres. Youth and Play*

9. The programme includes 34 individual projects. The most significant expenditure in the programme this year will be in respect of the following projects:
  - South Dock Marina Boatyard Essential H&S works - construction works (£1.2m)
  - Burgess Park Sports Pavilion and Pitches - completion of pavilion construction and ancillary landscaping (£1.8m)
  - Borough wide tree planting programme – (£1m)
  - South Dock Marina Boatyard Crane – supply and installation - (£0.9m)
  - Adventure Playgrounds – construction at 3 sites (£735k)
  - Active Southwark Community Investment Fund – 2<sup>nd</sup> and 3<sup>rd</sup> round grants (£0.755m)

10. There are also 11 individual projects, primarily covering lifecycle maintenance and replacement works at various Leisure Centres. The programme includes roof repairs and glass replacement at Dulwich Leisure Centre, roof repairs at Camberwell Leisure Centre, replacement of training boats at Surrey Docks Fitness & Watersport Centre, structural repairs to Dulwich Leisure Centre Fitness Room and electrical works at Dulwich and Camberwell Leisure Centre.
11. Also included within the Youth and Play Service Capital budget (Youth New Deal) is funding of £1m for planned capital works, and a summary of how this fund is being used was provided in the month 4 cabinet report.

#### *Libraries and Culture*

12. The libraries capital programme includes IT innovation projects, building improvements and costs associated with new library projects and library refurbishments. The budget for 2023-24 has been used to fund the fit-out of the new Kingswood library on Seeley Drive and Peckham library refurbishment costs. These projects have now been completed.

### **Environment Division**

13. The projected 2023-24 outturn is £16.8m against the revised budget of £18.2m mainly due to slippage.

#### *Cleaner Greener Safer, (Including air quality projects)*

14. The Cleaner Greener Safer 2023-24 programme is well under way with spend and completion targets agreed at £1.88m and 200 completions, which are being continuously monitored. Rising costs remain a risk to delivery.

#### *The Mayor's Air Quality Fund*

15. The projects funded by this source have been 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*

16. The Non Principal Road (NPR) programme, delivering major resurfacing of footways and carriageways, is on target to achieve the projected full annual spend. The carriageway resurfacing programme is expected to see an

accelerated rate of spend over the next few months due to the faster rate that carriageway surfacing is carried out by comparison to footway surfacing.

17. The School Streets programme is expected to deliver to target. There have been some minor issues with reaching an agreement with the schools concerned but these have been resolved for the most part.
18. Cox's Walk footbridge major repair works commenced in February 2023 and is expected to be completed this financial year. The projected cost has increased significantly due to inflation and a capital growth bid has been submitted for the next round of bidding for the additional funding required.
19. Cycle Superhighway 4 continues construction on site. There have been some delays due to Transport for London's contractors carrying out traffic signals and station refurbishment work. Works are now expected to complete in December 2023. Work to design the longer term removal of the gyratory is progressing in line with expectations.
20. The cycle hangars programme is progressing well with 76 hangars having been installed by the end of Q2 this year, 61% of the year-end target of 125 hangars.

### **Planning & Growth Division**

21. The projected 2023-24 outturn is £33.2m against the revised budget of £59.9m mainly due to slippage.

#### *Peckham Rye Station development*

22. The first phase of works to construct new commercial space on Blenheim Grove, was 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 the 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*

23. This council flagship scheme in Walworth, 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 community facilities are expected to be completed by December 2023 for the library and by the end of March 2024 for the health centre.

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

24. The total value of the department capital programme for the 10 year period, 2023-24 to 2032-33 is £105.9m (£103.6m at M4).

### *Adult Social Care*

25. The capital programme value for the period 2023-24 to 2033-34 is £29m. The main projects are; £6.6m for an essential lifecycle capital programme for the four residential care homes; £5.4m in respect of a programme of improvements to existing care settings; and £16m for the building of a new nursing home.
26. The Adult Social Care Capital Board has identified a number of priorities for 2023-24 and beyond in order to meet 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 contribution to the Changing Places Toilets and the insourcing of three hostels have been undertaken to deliver improved services to all, not just those with Care Act Eligible needs, and reduce on Adult Social Care.
27. The Adult Social Care service invest in the 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.
28. The capital programme also includes an estimated £0.8m 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.
29. Southwark Council owns a range of properties that are used by Adult Social Care (ASC) for residential and nursing care for older people and supported living accommodation for mental health and learning disabilities service users.
30. The lifecycle work on these properties, including four residential/nursing homes for the elderly, consists of a five year programme to 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.

31. The four residential/nursing homes programmes reflect 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 planned for 2023-24 and 2024-25. The work to replace hot and cold services pipework at Bluegrove should start in January and the feasibility study is in progress on installing an air source heat pump system.
32. The activity on the planned life cycle work on ASC supported living accommodations is ongoing. Refurbishments have now restarted in Therapia Rd, Mount Adon Park. Grosvenor Terrace has been completed apart from windows where there is a planning delay as the building is in a conservation area. 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.
33. 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 with the scope to inform a new five-year plan for the property portfolio covering 2026-2030.
34. The ASC plan includes the build of a new nursing home to provide an additional bed-based care facility to meet the demand for placements of an increasingly older-population. The revised programme cost of £16m takes account of construction inflation (20-25%) and demolition costs of £1m.

#### *Children's Services and Southwark Schools Capital Programme*

35. The Children's Services capital programme forecast for 2023-24 to 2032-33 is £76.9m (£74.6m at M4). This consists of £11.1m for the schools refurbishment programme and £15.8m for Special Education Needs and Disabilities (SEND) capital strategy as well as certain specific projects such as £14.4m for Charter school; £15.2m for Beormund Special School; £6.1m for Riverside Primary school; and £3.8m for the development of the two children's homes.
36. The overall programme is focused on rightsizing provision, ensuring the estate remains fit for purpose. In addition to this, a key priority is to ensure there is sufficient high needs provision in the borough. Rising construction prices are affecting 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 market place.

37. There is spare capacity in the primary sector (spread unequally across the borough) because of falling rolls relating to a reduced birth rate and a change in the population demographic. Additionally, there has been a reduction in pupil numbers in the earlier secondary year groups. Opportunities are being explored for rationalisation of buildings to make the best use of existing assets to reduce running costs for school. These proposals may be subject to future capital bids. There is also pressure to increase pupil places for children with special needs - a national issue for all education authorities.
38. A key priority of the programme is to ensure that any new school buildings are fuel-efficient and in line with the council's target to become carbon neutral by 2030. To address this, all current new school buildings are designed to a BREEAM 'very good' standard as a minimum.
39. The Children and Families division has two capital projects in operation at present, these being the two planned new children's homes (5 beds in each). The first is 18 St Mary's Road where main works are ongoing. Practical completion is forecasted to occur by March 2024. The second children's home at 1 Colyton Road is at an early stage of development (RIBA Stage 3) and will open as a care home for children in 2025.

#### *Primary School Provision*

40. The Primary School refurbishment programme delivers a yearly 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 the use of fossil fuels in the heating of schools. This programme is funded from the School Condition Allocation grant and calculations are based on pupil numbers. Therefore the yearly allocation has been reducing in line with falling rolls.
41. Riverside 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 October half term. Expected completion date for this project is Autumn 2024.

#### *Secondary School provision*



42. 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, which involves the demolition of the remaining buildings and construction of a new hall, renovation of the original 'Chateau' building and new play landscaping. This work also includes the additional ASC unit 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. Facilities are expected to be available to the school by Autumn 2024.

### *Special Education Needs provision (SEND)*

43. In order to address a growth in the number of pupils with Education Health and Care Plans (EHCPs), options are being explored to expand SEND provision in Southwark to avoid placing pupils out of borough.
44. Additional capacity for SEND provision is being sought in new projects being proposed to address the issue including works at Highshore, to accommodate an additional 40 places in a satellite site, and at SPA Camberwell to provide 24 places in a 6th form provision also in a satellite site. The council has received £9.6m ESFA High Needs Capital funding to deliver this programme of works. In addition to this, Southwark has received £3m of Department for Education funding for capital projects that support the 'Safety Valve' programme
45. Beormund School is being relocated as part of a wider redevelopment of the school area for residential use. The new site will provide a purpose built facility and will 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 is in progress. The anticipated completion for the project is Winter 2024.

## **HOUSING GENERAL FUND**

### **General Fund**

#### **Overview**

46. The forecast spend for the Housing general fund capital programme for the ten years to 2032-33 is circa £28.6m (£28.3m at M4). Other than residual spend on Traveller Sites (£0.5m), the programme comprises Housing Renewal schemes (£28.1m). The projected spend for 2023-24 is £2.4m (£2.3m at M4)

### **Asset Management - Housing Renewal**

47. Housing Renewal comprises a range of initiatives primarily designed to support people to remain living independently in private sector accommodation through assistance. This is through repairs, improvements and adaptations to their homes. Support is also provided to landlords and property owners to bring their empty properties back into use. This support is provided through the provision of grants and loans and is largely funded through Disabled Facilities Grant (DFG) and the council's own resources. The forecast spend for 2023-24 is £2.1m.
48. Most of the service spend is for the DFG with a forecast outturn for 2023-24 of £1.9m. The remaining forecast spend for 2023-24 of £0.2m for Housing Renewal comprises funding for home repairs, small works and support for landlords.
49. In February 2022, cabinet approved £2m of additional resources specifically to enable the compulsory purchase of empty homes. The council has now put in place resources to deliver these services, including the use of a dedicated surveyor. The council continues to promote these additional services, including the offer for technical assessments for long term empty properties and the increase in the funding available to property owners. This is all detailed on the council's empty homes web page and the borough wide newsletter. However as the Compulsory Purchase Offer (CPO) process is complex and will take time to be fully effective, we envisage spending the CPO budget commencing from 2024-25.

### **Resident Services - Traveller Sites**

50. A comprehensive programme of reconfiguration and improvement works to address health and safety and compliance issues (principally fire safety) at traveller sites has been undertaken. Further investment in sites continues. However, delays due to the pandemic have resulted in additional costs, namely prolonged temporary re-housing, storage of mobile homes and residents belongings, in addition to enhancements to the planned projects as the programme progresses. Fire Safety works at the Brideale and Burnhill sites are close to completion, with the remaining budget of £0.2m expected to be fully spent in 2023-24.
51. A variation of £0.3m was approved for Springtide by cabinet in month 4. Grant funding of 50% has been secured from the Greater London Authority (GLA). The forecast spend for 2023-24 is £0.2m, with the remaining balance expected to be spent the following year.

## FINANCE

52. The total value of the finance capital programme for the ten years to 2023-24 is £11m, with a forecast spend in 2023-24 of £6.4m. A revised digital strategy will be subject to a further report to cabinet in March 2024.

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

53. 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, investment in cloud optimization opportunities, continued migration away from dated windows servers and refresh of the network infrastructure. Other important projects include website and intranet replacement and consolidation of applications which together with a range of other smaller scale projects completes the focus for the year.
54. 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 will enable staff to deliver improved public services across communities and help 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.
55. The investment of £5.2m forecast for 2023-24 is marginally below that forecast earlier in the year and this is largely due to a re-evaluation of the likely call on contingency built into the earlier forecast. As previously reported the current approved budget for IT investment is largely consumed and as a result Cabinet are asked to approve a new bid to support future investment requirements over the full life of this 10 year programme.
56. Looking forward, investment will concentrate on replacement of networking technology across the wider operational estate, improving workplace collaboration through upgrades to meeting spaces, a rolling programme of laptop replacement for employees with older devices, continued development of the Customer Relationship Management (CRM) system to improve use of data, case management and enhance transformation within Customer Services and Housing.
57. Other planned investment includes delivering a Modern Data Platform to support the Council in becoming a data led organisation, website development to

enhance channels to citizens and customer portal technology and review and completion of the data centre migration, embracing cloud computing.

58. Investment in measures to ensure there is IT security compliance remain ever present and 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 complete the main objectives of the longer term technology and digital programme.

#### *Smart Working Programme*

59. The remainder of the 'modern ways of working' programme has continued to focus on transforming how the council operates, a key element of which is facilitating the ability for employees to work in more flexible and efficient ways as supported by technology. The pandemic saw an acceleration of the programme with investment in remote working technology needed to ensure services were maintained. The remaining focus of the programme included modernising the council's telephony and audio-visual capabilities that facilitate hybrid working and is a key element to modernising working practices. While there is a residual budget, activity does start to merge with the main TDS programme and this may see permission being sought to move any remaining resource at the end of this financial year across to the main programme. With spend this year forecast at £360k, this leaves £363k.

#### *Public Switched Telephone Network (PSTN)*

60. 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.
61. 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 £4.59m is required at this stage to enable works relating to Telecare (SMART), Council offices, Schools & Nurseries and Highways and CCTV.
62. The programme goal 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 begin between summer 2023 through to summer 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.

63. 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.
64. It must be noted that the national scale of responding to the decision to close down the Public Switched Telephone Network means that it is difficult to predict the profile of spend across 2023-26 as much will be dependent on availability of suitable resources and equipment that can be procured to deliver the required upgrades. Spend is therefore limited at present, £836k forecast in 2023-24, but will pick up as the outcome of procurement exercises become known and further dedicated resources are engaged.

## **GOVERNANCE AND ASSURANCE**

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

65. The focus of CFM capital programme is split between lifecycle and compliance schemes. Lifecycle schemes focus on the maintenance of the fabric of buildings, meeting sustainability targets through upgrading heating and lighting including installation of air sourced heat pumps and LED lighting. Investment this year is expected to total £4.8m leaving £5.7m of the current programme budget for investment needs in 2024-25.
66. The continuous nature of much of what the CFM lifecycle programme delivers means that the service will continue to require capital programme resources beyond what is currently approved by cabinet. As a result, cabinet are asked to approve a new bid for budget to meet future investment requirements.
67. A comprehensive inspection and assessment regime drives investment through the compliance programme that 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. Spend this year is forecast at £0.35m, which together with the lifecycle programme investment enhances the life of the operational estate and maintains asset value.