

## APPENDIX B

### DEPARTMENTAL NARRATIVES – GENERAL FUND

#### ENVIRONMENT NEIGHBOURHOODS AND GROWTH

1. The total value of the capital programme for the department is currently £143.3m for the 10-year programme. The projected 2024-25 outturn is £42.9m against the revised budget of £67.9m (after allowing for reprofiling of budgets due to slippage in this year's programme).
2. Year to date spend is currently £3.7m or 5.4% which is below where spend is expected to be month 4. Officers are currently working on enhancing the project management resources to ensure that the capital programme remains on target.
3. The department has also setup a capital programme review board in June 2024 to strengthen the focus on capital projects, their delivery and to help unblock any bottlenecks that may be preventing delivery to plan. The focus will be to encourage a better approach to forecasting, as well as reviewing any potential new capital bids.
4. Table 1 below summaries the 2024/25 financial position by key schemes and responsible division:

**Table 1**

	2024/25						
	Agreed Budget	Budget Virements	Budget Variations	Revised Budget	Spend	Forecast	Variance
	£	£	£	£	£	£	£
Leisure	8,182,721	0	0	8,182,721	164,615	5,282,721	(2,900,000)
South Dock Marina	7,193,685	0	0	7,193,685	111,201	1,400,000	(5,793,685)
Parks - Programme and Projects	7,418,220	442,833	700,000	8,561,053	294,551	5,469,421	(3,091,632)
Parks - Others	6,516,803	0	123,896	6,640,699	645,776	4,314,471	(2,326,228)
Culture	893,339	0	0	893,339	54,410	878,471	(14,868)
<b>TOTAL - Leisure &amp; Culture</b>	<b>30,204,768</b>	<b>442,833</b>	<b>823,896</b>	<b>31,471,497</b>	<b>1,270,553</b>	<b>17,345,084</b>	<b>(14,126,413)</b>
Climate Change and Sustainability	6,482,090	0	0	6,482,090	103,681	3,158,650	(3,323,440)
<b>TOTAL - Climate Change and Susta</b>	<b>6,482,090</b>	<b>0</b>	<b>0</b>	<b>6,482,090</b>	<b>103,681</b>	<b>3,158,650</b>	<b>(3,323,440)</b>
Street Lighting	1,588,794	490,306	0	2,079,100	0	2,079,100	0
Regulatory Services	1,861,881	0	0	1,861,881	87,699	1,082,979	(778,902)
StreetCare	7,741,590	0	78,900	7,820,490	300,615	7,584,429	(236,061)
Other PR Projects	7,072,642	0	2,909,984	9,982,626	243,801	4,681,630	(5,300,996)
LIP PROGRAMME	952,328	0	1,944,000	2,896,328	1,210,304	2,686,328	(210,000)
Cleaner Greener Safer	2,359,944	0	0	2,359,944	336,589	1,934,138	(425,806)
Street Market	100,000	0	0	100,000	0	60,000	(40,000)
Stronger Neighbourhoods	1,500,000	0	0	1,500,000	112,699	1,000,000	(500,000)
Waste & Cleaning	1,315,889	0	0	1,315,889	0	1,315,889	0
<b>TOTAL - Environment</b>	<b>24,493,068</b>	<b>490,306</b>	<b>4,932,884</b>	<b>29,916,258</b>	<b>2,291,707</b>	<b>22,424,492</b>	<b>(7,491,765)</b>
<b>TOTAL</b>	<b>61,179,926</b>	<b>933,139</b>	<b>5,756,779</b>	<b>67,869,844</b>	<b>3,665,941</b>	<b>42,928,226</b>	<b>(24,941,619)</b>

The financial overview and progress of some of the major programmes by Division are detailed below: -

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

5. The projected 2024-25 outturn is £3.2m against the revised budget of £6.5m mainly due to reprofiling existing budgets to ensure a realistic target is set for the year.
6. 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 project areas that meet our carbon reduction ambition as set out in the council's climate action plan. This is profiled over the next 6 years. Recent work undertaken includes the launch of the Southwark Community Energy Fund, which will see £400k allocated to expanding renewable energy generation in the borough, alongside building skills and capacity within the community for further energy saving. LED Street Lighting, cycle hanger and leisure centre retrofit programmes have also seen their delivery rapidly increased through this funding, alongside allocating additional funding for increased planting and greening for highway schemes.

### **Leisure Division**

7. The projected 2024-25 outturn is £17.3m against the revised budget of £31.5m mainly due to reprofiling existing budgets to ensure a realistic target is set for the year.

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

8. 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, ancillary landscaping and basketball court (£1.8m)
  - Borough wide tree planting programme - £1m (Nov 24 – Mar 25)
  - Peter Hills Footbridge replacement - £650k
  - Parks Footpaths repair & Replacement - £250k
  - South Dock Marina Boatyard Crane – supply and installation - £900k
  - Adventure Playgrounds – construction at 3 sites (£735k)
  - Active Southwark Community Investment Fund – 3rd 4th and 5th round grants awarded and projects delivered (£755k)

9. 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.
- Leisure centre lifecycle maintenance – £246k
  - Camberwell Roof lantern – £150k
  - Canada Water Leisure Centre – £1.4m
  - Leisure Centre Gym replacements – £1.6m
  - Leisure Centre remedial repairs and improvements – £3m
  - Decarbonisation of Leisure Centres – £600k
  - Leisure Centres digital transformation – £500k
10. Also included within the Youth and Play Service capital budget (Youth New Deal) is approximately £748k remaining for planned capital works, including significant improvements to the Brandon Youth Centre (September 24 to March 25).

#### *Libraries and Culture*

11. The libraries capital programme includes IT innovation projects, building improvements and costs associated with new library projects and library refurbishments. The budget for 2024/25 is being used to fund the Dulwich library refurbishment project. Project is due to start in Q4 of 2024-25. Total spend is expected to be approximately £250k with anticipated £100k spend in 2024/25 and remaining spend in 2025/26. Project timescales may change and any changes to forecast will be reflected in the month 8 capital monitor..

#### **Environment Division**

12. The projected 2024-25 outturn is £22.4m against the revised budget of £29.9m due to reprofiling existing budgets to ensure a realistic target is set for the year.

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

13. The Cleaner Greener Safer 2024-25 programmes spend, and completion targets were agreed at the start of the year: 200 projects have been committed at an estimated cost of £1.88 million. These include the refurbishment of rotten planting beds at Cossal Estate, the removal of graffiti on a building on Alpha Street and protecting it with anti-graffiti coating, building a new playground for under 5s in Peckham Park Rye and installing secure bicycle parking at Rockingham estate. Progression against targets is going well Targets will be reviewed in the autumn and revised if needed.

#### *The Mayor's Air Quality Fund ( MAQF)*

14. A new project has commenced using money from MAQF working with

schools to raising awareness of asthma, enhance the health and educational experience of students, particularly those with asthma, by monitoring air quality and promoting awareness and behavioural change. The project will monitor indoor air quality in classrooms and in pupil's homes by collecting real-time pollution data in these environments. Currently the council is completing the necessary procurement to support the delivery of the project and undertaking various promotional activities to increase participation in the project. Signing up of participating schools and pupils will take place during the period September to November 2024.

15. Earlier projects funded through the MAQF have now been completed, including the Walworth Low Emission Neighbourhood (LEN). Bookable permit holder only loading bays are being trialled on Walworth Road to reduce parking stress for loading and unloading commercial vehicles and to improve air quality.

### *Streets and Highways*

16. The Non-Principal Road (NPR) programme, delivering major resurfacing of footways and carriageways is on target.
17. School Streets Programme - Decisions are due shortly on which schools will be included in the programme for this year.
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 the severe deterioration of the abutments and labour-intensive works to avoid the tree roots, an additional capital growth bid has been submitted for the funding required to complete the Cox's Walk footbridge refurbishment works.
19. The cycle Superhighway 4 opened in March 2024 with monitoring of the Scheme continuing and following the road safety audit minor works have been carried and further improvements to be made over the coming months. Officers are working with TfL to agree further funding from them to carry out further enhancements to the current scheme following the audit. Design has completed on the first phase of the Peckham to Rotherhithe cycle route, with construction due to start in the autumn.
20. The cycle hangars programme has started well, with 21 delivered to date and a further 21 having been issued to the contractor for installation during Q2. Informal consultation has been carried out on 40 more locations that will form the majority of the Q3 installations.



## PLANNING AND GROWTH

- The total value of the capital programme for the department is currently £74.7m for the 10-year programme. The projected 2024-25 outturn is £28.9m against the revised budget of £58m (after allowing for reprofiling of budgets due to slippage in this year's programme).
- Table 1 below summaries the 2024/25 financial position by key schemes and responsible division:

**Table 1**

Teams	2024/25						
	Agreed Budget	Budget Virements	Budget Variations	Revised Budget	Spend	Forecast	Variance
	£	£	£	£	£	£	£
Planning	1,676,286	0	0	1,676,286	113,621	1,353,878	(322,408)
Sustainable Growth - North	8,182,957	0	92,128	8,275,085	488,022	4,386,891	(3,888,194)
Sustainable Growth - South	30,573,155	0	0	30,573,155	681,344	11,542,171	(19,030,984)
Sustainable Growth - Capital Projects	5,563,314	0	0	5,563,314	15,806	559,438	(5,003,876)
Property Services	7,110,270	0	0	7,110,270	124,884	6,272,785	(837,485)
E&C REFCUS(Regen North)	4,800,000	0	0	4,800,000	0	4,800,000	0
<b>TOTAL - Planning &amp; Growth</b>	<b>57,905,982</b>	<b>0</b>	<b>92,128</b>	<b>57,998,110</b>	<b>1,423,677</b>	<b>28,915,163</b>	<b>(29,082,947)</b>

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

### Peckham Rye Station development

- The first phase of works to construct new commercial space on Blenheim Grove, has been completed. 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 Spring 2025. This scheme will be further complemented by a planned major upgrade to Peckham Rye station. This will deliver a fully accessible station, subject to Department for Transport (DfT) funding. As part of the Station scheme the council is investing £1m of Strategic Community Infrastructure Levy funding.

### Aylesbury Plot 18

- 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. Una Marson Library completed in autumn 2023 and it is anticipated that the Harold Moody Health Centre will be completed by the end of August.

### **Canada Water Leisure Centre**

5. Works are progressing well with this new building and completion is scheduled for spring 2025.

### **Walworth Town Hall Refurbishment**

6. The works to this listed building are scheduled to be completed in September 2024.

## **CHILDRENS' AND ADULT'S SERVICES**

1. The total value of the department capital programme for the 10-year period, 2024-25 to 2024-35 is £83m.

### **Adult Social Care**

2. The capital programme value for the period 2024-25 to 2034-35 is £13.5m. The main projects are: £5.8m for an essential lifecycle capital programme for the four residential care homes; £5.2m in respect of a programme of improvements to existing care settings; and £1.9m allocated towards new bed-based care within the borough through the provision of a new nursing home.
3. The Adult Social Care Capital Board has identified a number of priorities for 2024-25 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 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.
4. The Adult Social Care service invests in its property portfolio to ensure buildings provide a safe and secure environment 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.
5. The capital programme also includes an estimated £0.6m 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.
6. The 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 2029 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.
7. 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. Connection of heating system to district heating network at Bluegrove and Waterside is being investigated with a



planned tender later in the year and completion by 2025.

8. The planned lifecycle work on ASC-supported living accommodation is ongoing. Following refurbishment at Grosvenor Terrace, contractors have been instructed to proceed with windows replacement, and work started in July with an estimated completion by September. A £350k tender for planned works at 3, Bowley Close is due in August. Redecorations at Crebor Street have been carried out at one of the upstairs flat while assessing requirements for the rest of the property, and roof repairs at Southwark Resource Centre are in progress. 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.
9. 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**

10. The Children's Services capital programme forecast for 2024-25 to 2034-35 is £70m. This consists of £9.7m for the schools refurbishment programme and £16.8m for special education needs and disabilities capital strategy. It also includes certain specific projects such as £12m for Charter School and other permanent expansion retention costs, £17.8m for Beormund Special School and £6m for Riverside Primary School, £1.1m for Rotherhithe Primary School, as well as £2.2m for the development of the two children's homes.
11. 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 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.
12. 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.
13. 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, which means they are disconnected from the gas network. Changes in the planning process also require higher levels of 'biodiversity' to be provided and this can be difficult in school environments on tight inner-city sites and may require more expensive systems (such as green roofs) to meet these target areas.

14. 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 complete, with the service organising for OFSTED approvals. The second is back from tender and these are being analysed ready for award of the main works contract in September 2024. Completion will be in May/June 2025 and will open as a care home for children in late Summer/Autumn 2025.

### **Primary Provision**

15. 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. Funding of £1.115m has been secured from the Climate Capital Fund to fund works at two schools and £0.3m for Air Quality projects is being funded from the Environmental Protection Team.
16. 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. Negotiations with the Phase 1 contractor are progressing with a potential start date once the dining hall is completed.

### **Secondary Provision**

17. 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 December 2024 /January 2025.

## **Special Education Needs provision**

18. 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.
19. 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 contract for the Pre-Construction Services Agreement (PCSA) is still on-going and won't complete until October 2024. The award of the main contract is after the PCSA is complete and this is currently October/November 2024 with works starting in December/January 2025. The anticipated completion for the project is Autumn/Winter 2026.

## **HOUSING – GENERAL FUND CAPITAL - MONTH 4**

1. The Housing General Fund capital programme is forecast to spend approximately £26.5m over the period to 2033-34, comprising housing renewal schemes (£26m) and residual works on travellers' sites (£0.5m).

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

2. 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 DFG service has been successful in increasing the delivery of major adaptations. Demand remains high, averaging eight referrals per month.
3. 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 to date, eight properties have been identified for acquisition. Officers are attempting to make contact with the property owners to bring the properties back into use.

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

4. 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.

## **FINANCE**

5. The total value of the finance capital programme for the ten years to 2033-34 is £38m.

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

1. 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 continues to enable staff to deliver improved public services across communities and help the council become one of the best-connected and digital boroughs in London. Use of emerging technology and data also helps to enhance our communities and to ensure that residents are able to connect to fast accessible broadband.
2. Last year the IT Investment and Smart Working programmes came to a close and Cabinet approved two new programmes going forward, namely Laptop Refresh at £18.5m and £18m for future Digital Strategy.
3. The investment across these programmes will concentrate on the 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.
4. 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 and customer portal technology and review and completion of the data centre migration, embracing cloud computing.
5. Investment to put in place measures to ensure there is IT security compliance will continue and this along with other investment opportunities including robotic process automation to remove repetitive work from employees and the integration of back office systems to improve productivity completes the main objectives of the longer term technology and digital strategy.
6. At month 4 the investment delivery in 2024-25 is expected to be £4.8m through the Laptop Refresh programme and £5.2m of Digital Strategy related schemes.

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

7. 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.

8. 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 & Nurseries and Highways and CCTV.
9. The aim of the programme was 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 involves 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.
10. The initial strategy to deliver the equipment upgrade necessary for residents who are receiving the Telecare (SMART) service has been revised. Further consideration of the options available mean that the initial upfront cost can now be spread across a number of years, alleviating the need to directly call on the PSTN capital programme budget. As such cabinet are asked to approve a variation to the overall PSTN budget to remove the £2m set aside for Telecare.
11. Spend across the remaining PSTN programme is currently forecast at £253k for 2024-25.

## **GOVERNANCE AND ASSURANCE**

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

1. The CFM capital programme continues to focus on lifecycle works where the priorities are maintenance of the fabric of operational buildings, meeting sustainability targets through upgrading heating and lighting systems, including the installation of air sourced heat pumps and LED lights. There is also a separate compliance programme where CFM 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 & safety rules and regulations and helps to provide environments that support the wellbeing of both staff and service users.
2. The 2024-25 forecasts at month 4 are £7.3m and £0.4m respectively for Lifecycle and Compliance.
3. In addition to investment directly funded by CFM, the service continues to deliver a number of other projects on behalf of departments.