

4 SQUARES

Introduction

Residents from 4 squares made a deputation to Cabinet on 19th October to request the urgent completion of security works across the estate. Their request was as follows:-

The residents of the Four Squares Estate would like to bring a deputation to the Cabinet because we desperately need our long-promised security works to be completed. We understand that £8 million funding was allocated to the estate, but that the work for the first two blocks ran over budget, leaving only £1.5 million for the remaining two blocks (Marden and Layard Squares).

We believe that we have an extremely strong case for the security works to be completed across the full estate. This is supported by the police and the housing office, and this strong need for works across the whole estate led to the money being allocated in the first place. We notice that the new council have made a manifesto commitment to make every home in the borough warm, dry, and safe. Homes in Layard and Marden Squares are not currently safe, and we would like to explain the problems that we are experiencing on the estate to the Cabinet, so that the remaining work can be carried out.

We have three main questions:

- 1. How was the budget so badly overspent, and what has been done to tackle the council officers and contractors who were responsible for this?*
- 2. Will the council finish the security works on the full estate as promised?*
- 3. Will the council commit to spending the remaining £1.5 million from the initial budget on the Four Squares estate?*

4 SQUARES QUESTIONS POSED BY THE SCRUTINY SUB-COMMITTEE

1. Why was most of the budget for these security works on Four Squares spent on just two of the blocks?

To date the Council has spent more than £6.7m on the security works at New Place and Lockwood Squares. This includes a grant of £2.3m from the London Housing Board to the Council made in 2004/2005. The anticipated total spend for the whole estate was £8m. Each package of security works was designed to a high standard following extensive consultation with residents. In the end, the costs for each square were more than anticipated.

2. Has additional funding ever been allocated by the council over and above the initial budget for these works?

As mentioned, In 2004/5 the Council obtained a grant from the London Housing Board (LHB) of £2.3m. The terms of the award required the Council to match fund the grant from its own resources. In the event, in November 2005 the Council more than match funded the scheme by earmarking council resources of £5.7m from the Housing Investment Programme giving an overall anticipated maximum expenditure level of £8,025,514

3. Have officers stated internally to Cabinet Members that further money will be spent without there being an agreed budget to match their statements?

The approved budget for the works has only ever been £8m, officers have maintained this position. When the capital allocation was reduced in 2009, Officers made clear that this scheme could not be funded in the current two year programme and that any decision would need to be deferred, and considered only in the context of the overall investment needs of the borough.

4. Did representatives of Southwark Council (Either Officers or Councillors) make commitments to residents without allocating a budget and without a budget being available for the work?

As mentioned above, the allocated budget has only ever been £8m and this position has been maintained. Although the scheme started on the basis that it would extend to all blocks, this was on the understanding that it would be met within the existing allocation. These resources were not adequate even at the outset. The reductions in capital allocation to the decent homes programme in 2009 meant that no further additional commitment could be made to this project.

5. Have cuts to Government Grants for capital funding for housing had any impact on the delivery of these security works?

There was a reduction to the annual Decent Homes allocation from £45m to £40m in 2009/10 due to a combination of factors:

Resources constraints:

- discontinuation of supported borrowing*
- slippage in achieving capital receipts*
- expenditure pressures on regenerations sites and new initiatives*

This reduction had no impact on the overall budget for 4 Squares. The original allocation was £8m of which £6.7m has been spent to date leaving a balance of £1.3m. Last known estimates for the outstanding security schemes at Marden and Layards were £2.2m and £2.3m respectively.

6. What are the current proposals/prospects for the completion of these works?"

There is no existing funding identified in the present two year programme.

Priorities for future investment in the Council's stock will be considered by the Cabinet in December 2010. The delivery of the Decent Homes target will take precedence given the overwhelming need to bring Southwark to the standard of its peers. Residents will be fully consulted, between December and February 2011 with a final post consultation report back to the Cabinet in March 2011 to enable future investment programmes to be finalised. The residents of Four Squares will be able to feed their views into this wider consultation before the future programme is agreed by Cabinet.