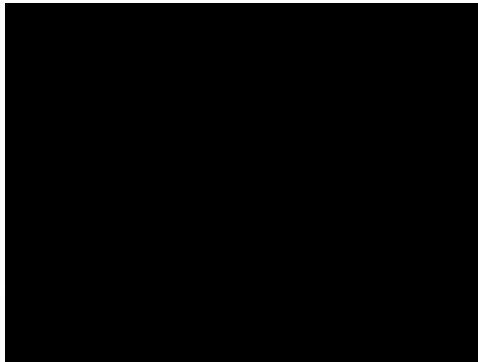


# GREATER LONDON AUTHORITY



**Department: Housing and Land**  
Our reference: MGLA260717-2191 &  
MGLA310717-2752

Date: 21 August 2017

Thank you for your request for information which the Greater London Authority (GLA) received on 26 July 2017 and 30 July 2017. You asked for:

**You asked for:**

- Statement 6 supporting document submitted by the London Borough of Southwark in 2014.
- Any supporting documents submitted by the London Borough of Southwark for decent homes backlog bids in 2011/12, 2012/13, 2013/14 & 2014/15 detailing plans for development on Southwark estates.
- In the final year, 2015/16, was assistance associated with estate development and infill?
- Any "statement two regarding VFM bidders" submitted to you by the London Borough of Southwark in 2014.
- Any "statement two" supporting documents specifically about "VFM bidders" or other narrative about "challenging works" submitted to you by the London Borough of Southwark for decent homes backlog bids in 2011/12, 2012/13, 2013/14 & 2014/15?

**Our response to your request is as follows:**

Below are statements 2 & 6 (received by the GLA 19/09/2014). In the 2014 bid, the only wording that I have found concerning challenging works, estate regeneration/development or infill was a clarification email from the council dated 14/10/2104, which said: 'Our huge commitment to delivering our Warm, Dry and Safe homes is aimed at making all homes decent by March 2016. There will be a few exceptions to this deadline, which are Aylesbury Estate (due to finalising of plans for the regeneration works) ...'

There were only one earlier decent homes bid from Southwark, which was submitted 11/01/2010. There was no equivalent VFM bidder's information in 2010. I have searched for references in the bid as a whole to challenging works, estate regeneration/development or infill and found only the following wording, and the attached spreadsheet.

'In 2011/12 5198 properties, will fall out of decency. In addition, we have included 238 units originally earmarked for the Aylesbury Estate Round 6 PFI. These properties have now been added to our projections because the Aylesbury PFI is no longer proceeding. The 238 units are the proportion of stock in the former programme that are not being included in the revised regeneration plans for the estate'.

## **Statement 2**

*The procurement process for the major works partnering contracts as a whole went through a rigorous process that tested the submitted tenders both in terms of quality and price. The costs obtained for these works packages are based on the rates tendered within the overall partnering contracts with spot one-off items being subject to separate quotes.*

*For works awarded under the framework contracts the proposed works will be delivered under a long term partnering agreement with a number of contractors. Contractors were assessed for both quality and cost with leaseholders' and tenants' representation involved in the process. The contractors submitted prices for different types of works and set up costs and these were evaluated overall to see which represented best value. As such, whilst individual items may seem more expensive this will be balanced by more competitive rates elsewhere.*

*All works packages delivered through these contracts are further vetted by our appointed quantity surveyors to ensure continued value for money. Where non-standard components are used, which have not previously been priced, the contractors will be asked to provide a minimum of 3 quotes.*

*A key benefit of partnering should be lower component costs achieved through the supply chain, although this requires both long-term commitment and certain guarantees regarding minimum expected works, and it is recognised that robust monitoring procedures must be in place. The contractors have entered into long-term arrangements with suppliers to drive down the costs of commonly used components such as windows, roofs and front doors, as part of this price harmonisation process.*

*Works not awarded through the partnering contracts are individually tendered and the contractors are chosen using best value criteria appropriate to the particular contract employing a balance of price and quality analysis of the tender return. Southwark Council considers the major works programme it has in place, including utilising Decent Homes backlog funding, as an opportunity to create employment and training opportunities for local residents. It is estimated that each million pounds of expenditure creates approximately 16 new jobs dependent on the type and scope of works. With its three main partner contractors, these opportunities are maximised for local residents on estates. All related job opportunities are advertised on the estate being worked on and other avenues such as Job Fairs are also used.*

*In addition to the extra employment opportunities, Southwark Council uses its purchasing power expand local education and training opportunities for residents. The employment of apprentices is a Key Performance Indicator (KPI) for Southwark's partnering frameworks through which the bulk of work is committed. For every £1m spent each year, the contractors are expected to provide at least one apprenticeship or matching training opportunity and this is monitored quarterly through the KPI process. In addition, Southwark has a long-term framework with two professional technical firms who also work with local schools to provide work placements and other training opportunities.*

There are a series of KPIs which are used to assess the overall performance of the contractors. These measure the performance of the contractors across key areas of their work. These include resident satisfaction, client (Council) satisfaction, timeliness of work, value for money and local employment and training opportunities offered by the contractors. KPIs are monitored quarterly and the heavy weighting of the value for money KPI has resulted in none of the existing contractors applying inflationary uplifts to their rates thus far, despite provision within the contract frameworks.

The results of the KPIs are reported to Core Group which monitors the overall performance of housing contracts. This is chaired by the Cabinet member for Housing Management and includes resident representatives from across the borough. There will be an end of year statement to Core Group on the contractor's performance and recommendations on actions required to improve performance by the contractors.

The council's procurement processes ensure value for money and any efficiency achieved through these are passed on to both leaseholders and tenants.

#### **Statement 6**

##### **Current backlog funding 2012-2011**

<b>Year</b>	<b>Current revision</b>
2012/13	£12,113,839
2013/14	£32,460,674
2014/15	£32,369,487
TOTA	£76,944,000

At the end of March 2014, over £180m had been spent for the first three years of the Warm, Dry & Safe programme and spending continues to accelerate. The annually set target for 2012/13 to spend £63m was achieved, in 2013/14 WDS spend was £82.5m against a target of £80m and the programme is forecasting to meet the target of £90m spend for 2014/15. Over £25m has been spent to August 2014.

	2012/13	2012/13	2012/13
Spend	£64.5m	£82.5m	On target
Target Spend	£63m	£80m	£90m

Southwark has three partnering framework contracts in place covering different areas of the borough. This has already delivered a huge and accelerating capital programme as part of delivering Warm, Dry and Safe to homes across the borough.

A full update on the programme is available on the council website:

<http://moderngov.southwark.gov.uk/documents/s47492/Report%20and%20appendices%20Major%20Works%20Status%20Report%20incorporating%20Warm%20Dry%20and%20Safe.pdf>

Southwark Council is committed to using every tool at its disposal to increase the supply of all kinds of homes across the borough, including new council homes. In 2011 Southwark set up an independent housing commission. The commission reported back in October 2012. It was followed by extensive engagement with residents on the future of council housing. Following this engagement cabinet made a commitment to build 11,000 new council homes by 2043, the first 1,500 of which will be built by 2018.

The schemes comprising the first phase of this direct delivery were agreed by cabinet in October 2012. Since then

- Eight of the schemes have secured planning approval, with two currently in the process
- Five have commenced on site.
- Twenty four "Hidden Homes" have been identified and are in the programme.

Sites have also been identified for Phase two and three and are being assembled.

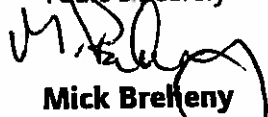
Southwark has a long and successful record in delivering estate regeneration. The Heygate and Aylesbury estates are exemplar examples of successful regeneration and a second phase of smaller estate regeneration at Maydew House and Sceaux Gardens will signpost the way the council delivers estate regeneration in the future.

The council has developed an asset performance evaluation tool that provides information on the performance of the stock and can be used by the council to test alternative scenarios. This will be the council's strategic planning tool that it will own and maintain and update over time to review its short-, medium- and long-term strategy for its assets. It will support the development of the 11,000 new council homes programme by identifying sites where investment and renewal will deliver better outcomes for both the council and its residents.

The head of major works will become responsible for the new build programme alongside the responsibility for the current Warm, Dry & Safe programme and the ongoing housing investment in the existing stock.

I hope the above information is of interest. If you have any further questions relating to this matter, please contact me, quoting the reference at the top of this letter.

Yours sincerely



**Mick Breheny**  
**Area Manager South**  
**Housing and Land**

If you are unhappy with the way the GLA has handled your request, you may complain using the GLA's FOI complaints and internal review procedure, available at:

<https://www.london.gov.uk/about-us/governance-and-spending/sharing-our-information/freedom-information>