

## Cabinet

Tuesday 12 December 2017

4.00 pm

Ground Floor Meeting Room G02A - 160 Tooley Street, London SE1 2QH

### Membership

Councillor Peter John OBE (Chair)  
Councillor Stephanie Cryan

Councillor Maisie Anderson  
Councillor Fiona Colley  
Councillor Barrie Hargrove  
Councillor Richard Livingstone  
Councillor Victoria Mills  
Councillor Johnson Situ  
Councillor Ian Wingfield  
Councillor Mark Williams

### Portfolio

Leader of the Council  
Deputy Leader and Cabinet Member for  
Housing  
Public Health and Social Regeneration  
Finance, Modernisation and Performance  
Communities, Safety and Leisure  
Adult Care and Financial Inclusion  
Children and Schools  
Business, Culture and Social Regeneration  
Environment and the Public Realm  
Regeneration and New Homes

---

### INFORMATION FOR MEMBERS OF THE PUBLIC

---

#### Access to information

You have the right to request to inspect copies of minutes and reports on this agenda as well as the background documents used in the preparation of these reports.

#### Babysitting/Carers allowances

If you are a resident of the borough and have paid someone to look after your children, an elderly dependant or a dependant with disabilities so that you could attend this meeting, you may claim an allowance from the council. Please collect a claim form at the meeting.

#### Access

The council is committed to making its meetings accessible. Further details on building access, translation, provision of signers etc for this meeting are on the council's web site: [www.southwark.gov.uk](http://www.southwark.gov.uk) or please contact the person below.

#### Contact

Paula Thornton 020 7525 4395 or email: [paula.thornton@southwark.gov.uk](mailto:paula.thornton@southwark.gov.uk)

---

Members of the committee are summoned to attend this meeting

**Councillor Peter John**

Leader of the Council

Date: 4 December 2017



# Cabinet

Tuesday 12 December 2017

4.00 pm

Ground Floor Meeting Room G02A - 160 Tooley Street, London SE1 2QH

## Order of Business

| Item No. | Title | Page No. |
|----------|-------|----------|
|----------|-------|----------|

### **PART A - OPEN BUSINESS**

#### **MOBILE PHONES**

Mobile phones should be turned off or put on silent during the course of the meeting.

#### **1. APOLOGIES**

To receive any apologies for absence.

#### **2. NOTIFICATION OF ANY ITEMS OF BUSINESS WHICH THE CHAIR DEEMS URGENT**

In special circumstances, an item of business may be added to an agenda within five clear working days of the meeting.

#### **3. NOTICE OF INTENTION TO CONDUCT BUSINESS IN A CLOSED MEETING, AND ANY REPRESENTATIONS RECEIVED**

There are no closed items scheduled for consideration at this meeting.

#### **4. DISCLOSURE OF INTERESTS AND DISPENSATIONS**

Members to declare any interests and dispensations in respect of any item of business to be considered at this meeting.

| Item No. | Title   | Page No. |
|----------|---|----------|
| 5.       | <b>PUBLIC QUESTION TIME (15 MINUTES)</b>  |          |
|          | To receive any questions from members of the public which have been submitted in advance of the meeting in accordance with the cabinet procedure rules. The deadline for the receipt of public questions is midnight Wednesday 6 December 2017. |          |
| 6.       | <b>MINUTES</b>  | 1 - 17   |
|          | To approve as a correct record the minutes of the open section of the meeting held on 31 October 2017.  |          |
| 7.       | <b>DEPUTATION REQUESTS</b>  |          |
|          | To consider any deputation requests. The deadline for the receipt of deputation requests is midnight Wednesday 6 December 2017.   |          |
| 8.       | <b>SOUTHWARK SCHOOL STANDARDS REPORT 2017</b>   | 18 - 22  |
|          | To note the "Best Start in Life – Southwark School Standards Report 2017".  |          |
| 9.       | <b>RESPONSE TO SOUTHWARK GP PRACTICES - QUALITY OF PROVISION AND LOCAL SUPPORT ARRANGEMENTS - A REPORT FROM THE HEALTHY COMMUNITIES SCRUTINY SUB-COMMITTEE</b>  | 23 - 31  |
|          | To agree the proposed response to the healthy communities scrutiny sub-committee report on Southwark GP Practices and note the progress in taking forward the recommendations.  |          |
| 10.      | <b>DECISIONS FROM CALL-IN: THE OUTCOME OF THE CONSULTATION EXERCISE ON CHANGES TO DAY CENTRE PROVISION AT QUEENS ROAD AND RIVERSIDE AND THE DEVELOPMENT OF A DISABILITY HUB</b>   | 32 - 33  |
|          | To consider the recommendations from the overview and scrutiny committee.   |          |
| 11.      | <b>SOUTHWARK SKILLS STRATEGY</b>  | 34 - 57  |
|          | To approve the proposed Southwark Skills Strategy.  |          |
| 12.      | <b>AYLESBURY PHASE 3 REHOUSING UPDATE</b>   | 58 - 69  |
|          | To note the outcome of the consultation exercise carried out with residents in Phase 3 and activate Phase 3 for immediate housing in line with the outcomes. To also approve the acquisition of leasehold interests on land known as Phase 3.   |          |

| Item No. | Title  | Page No.  |
|----------|--|-----------|
| 13.      | <b>OLD KENT ROAD AREA ACTION PLAN: FURTHER PREFERRED OPTION</b>  | 70 - 79   |
|          | To agree the Old Kent Road Area Action Plan: Further Preferred Option for consultation and to instruct officers to prepare a report for cabinet regarding a local lettings policy for Old Kent Road.   |           |
| 14.      | <b>HOUSING REVENUE ACCOUNT - INDICATIVE RENT SETTING AND BUDGET REPORT 2018-19</b>   | 80 - 96   |
|          | To note issues associated with the housing revenue account.  |           |
|          | To instruct officers to provide a final report to cabinet in January 2018 on rent setting after consultation with residents.   |           |
| 15.      | <b>OFFICE ACCOMMODATION STRATEGY - QUEENS ROAD 4</b>   | 97 - 110  |
|          | To note the need to reprovide Sumner House for housing and confirm 133-137 Queens Road as the location for service users of the council's targeted services currently based at Bournemouth Road, Sumner House, 47b East Dulwich Road, St. Mary's Road, Curlew House and Talfourd Place and as an officer base for staff who provide these services. That capital provision is made for the development of Queens Road 4. |           |
| 16.      | <b>SOUTHWARK COUNCIL'S BUY-BACK OFFER FOR LEDBURY TOWERS LEASEHOLDERS</b>  | 111 - 117 |
|          | To note the proposed policy to allow the buy-back of leaseholder properties in Ledbury Towers, which are currently the subject of structural investigations.   |           |
| 17.      | <b>LEDBURY ESTATE - ARUP STRUCTURAL SURVEY REPORT</b>  | 118 - 125 |
|          | To note the report and receive a further report after resident consultation on the options appraisal process.  |           |
| 18.      | <b>CONSULTATION ON INTRODUCING AN INTERMEDIATE HOUSING LIST</b>  | 126 - 142 |
|          | To instruct officers to conduct a public consultation on the initial proposals to produce an intermediate rent housing list and to bring a further report to cabinet in 2018 covering the results of the consultation.   |           |



| <b>Item No.</b> | <b>Title</b>   | <b>Page No.</b> |
|-----------------|--|-----------------|
| <b>19.</b>      | <b>GATEWAY 0 - STRATEGIC OPTIONS ASSESSMENT FOR RESPONSIVE REPAIRS AND MAINTENANCE WORKS</b>   | 143 - 154       |
|                 | <p>To instruct officers to develop detailed plans that would allow all non chargeable repairs and associated works to be undertaken by the council's in house trading service for housing repairs following the end of the housing repairs contract in October 2018.</p>   |                 |
| <b>20.</b>      | <b>SCEAUX GARDENS NEW HOMES DELIVERY PROGRAMME</b>   | 155 - 185       |
|                 | <p>To agree the rationale and proposal to develop the properties 1-15 Florian, 1-18 Racine and the garage site adjacent to the Colbert block and allocation issues in respect of the Sceaux Gardens New Homes delivery programme.</p>  |                 |
| <b>21.</b>      | <b>LAND AT GOSCHEN ESTATE, CAMBERWELL</b>  | 186 - 196       |
|                 | <p>To confirm that the land shown on the plan at Appendix A currently held for housing purposes is no longer required for those purposes and to approve the appropriation of the land to planning purposes in accordance with section 122(1) of the Local Government Act 1972 to facilitate the carrying out of the development proposals for the area in accordance with section 226 of the Town and Country Planning Act 1990.</p> |                 |
| <b>22.</b>      | <b>LAND AT IVY CHURCH, WALWORTH</b>  | 197 - 207       |
|                 | <p>To confirm that the land shown on the plan at Appendix A currently held for housing purposes is no longer required for those purposes and to approve the appropriation of the land to planning purposes in accordance with section 122(1) of the Local Government Act 1972 to facilitate the carrying out of the development proposals for the area in accordance with section 226 of the Town and Country Planning Act 1990.</p> |                 |
| <b>23.</b>      | <b>LAND AT MEETING HOUSE LANE, PECKHAM</b>   | 208 - 218       |
|                 | <p>To confirm that the land shown on the plan at Appendix A currently held for housing purposes is no longer required for those purposes and to approve the appropriation of the land to planning purposes in accordance with section 122(1) of the Local Government Act 1972 to facilitate the carrying out of the development proposals for the area in accordance with section 226 of the Town and Country Planning Act 1990.</p> |                 |
| <b>24.</b>      | <b>LAND AT BUSH ROAD, ROTHERHITHE</b>  | 219 - 229       |
|                 | <p>To confirm that the land shown on the plan at Appendix A currently held for housing purposes is no longer required for those purposes and to approve the appropriation of the land to planning purposes in accordance with section 122(1) of the Local Government Act 1972 to facilitate the carrying out of the development proposals for the area in accordance with section 226 of the Town and Country Planning Act 1990.</p> |                 |

| Item No. | Title                                  | Page No.  |
|----------|--|-----------|
| 25.      | <b>LAND AT PELIER STREET, WALWORTH</b> | 230 - 240 |

To confirm that the land shown on the plan at Appendix A currently held for housing purposes is no longer required for those purposes and to approve the appropriation of the land to planning purposes in accordance with section 122(1) of the Local Government Act 1972 to facilitate the carrying out of the development proposals for the area in accordance with section 226 of the Town and Country Planning Act 1990.

#### **OTHER ITEMS**

The following items are also scheduled for consideration at this meeting:

- 26. INCREASING NURSING HOME PROVISION IN SOUTHWARK**
- 27. COUNCIL TAX BASE 2018-19**
- 28. POLICY AND RESOURCES STRATEGY 2018-19**

#### **DISCUSSION OF ANY OTHER OPEN ITEMS AS NOTIFIED AT THE START OF THE MEETING**

#### **EXCLUSION OF PRESS AND PUBLIC**

The following items are included on the closed section of the agenda. The Proper Officer has decided that the papers should not be circulated to the press and public since they reveal confidential or exempt information as specified in paragraphs 1-7, Access to Information Procedure Rules of the Constitution. The specific paragraph is indicated in the case of exempt information.

The following motion should be moved, seconded and approved if the cabinet wishes to exclude the press and public to deal with reports revealing exempt information:

“That the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraphs 1-7, Access to Information Procedure Rules of the Constitution.”

#### **PART B - CLOSED BUSINESS**

- 29. MINUTES**

To approve as a correct record the closed minutes of the meeting held on 31 October 2017.

**Item No.**

**Title**

**Page No.**

**DISCUSSION OF ANY OTHER CLOSED ITEMS AS NOTIFIED AT THE  
START OF THE MEETING AND ACCEPTED BY THE CHAIR AS  
URGENT**

Date: 4 December 2017



## Cabinet

MINUTES of the OPEN section of the Cabinet held on Tuesday 31 October 2017 at 4.00 pm at the Council Offices, 160 Tooley Street, London SE1 2QH

---

**PRESENT:** Councillor Peter John OBE (Chair)  
Councillor Stephanie Cryan  
Councillor Fiona Colley  
Councillor Barrie Hargrove  
Councillor Richard Livingstone  
Councillor Victoria Mills  
Councillor Johnson Situ  
Councillor Mark Williams

### 1. APOLOGIES

Apologies for absence were received from Councillors Maisie Anderson and Ian Wingfield.

Apologies for lateness were received from Councillors Peter John and Victoria Mills.

(Councillor Stephanie Cryan chaired the beginning of the cabinet meeting until Councillor Peter John arrived).

### 2. NOTIFICATION OF ANY ITEMS OF BUSINESS WHICH THE CHAIR DEEMS URGENT

The chair gave notice of the following late items:

Item 7: Deputation requests

Item 16: Addendum report for New Southwark Plan: Proposed Submission Version.

Reasons for urgency and lateness will be specified in the relevant minute.

### 3. NOTICE OF INTENTION TO CONDUCT BUSINESS IN A CLOSED MEETING, AND ANY REPRESENTATIONS RECEIVED

No representations were received in respect of the items listed as closed business for the

meeting.

#### 4. DISCLOSURE OF INTERESTS AND DISPENSATIONS

The following declarations were made:

- Councillor Victoria Mills declared a disclosable pecuniary interest in respect of Items 19 and 25: Gateway 2: Contract Award Approval - Care at Home Contracts, as her partner works for UNISON.
- Councillor Johnson Situ declared a non-pecuniary interest in item 18: A Review of Further Education and Skills Provision and Local Support Arrangements: A response to the overview and scrutiny committee, as he was a governor at Lewisham and Southwark College.

#### 5. PUBLIC QUESTION TIME (15 MINUTES)

##### 1. Public Question from Mark Bacon

What is the council's expectations for extension of the London Bridge Quarter high-rise zone eastwards from Guys Hospital along St Thomas Street - and will planners ensure the historic character and welcoming nature of Bermondsey Street, with its maximum height of 5 storeys throughout, is respected and is not overshadowed?

##### **Response by the Cabinet Member for Regeneration and New Homes**

The New Southwark Plan sets out a vision for Bermondsey and London Bridge. This states that development should complement the distinct character of Bermondsey Street. Bermondsey Street is largely within the Bermondsey Street Conservation Area. As such, any redevelopment proposal within the conservation area or within the vicinity of the conservation area must conserve and enhance the significance of conservation areas taking into account their local character, appearance and positive characteristics published in Conservation Area Appraisals (as required in policy P17 – Conservation areas).

Development proposal for tall buildings would be assessed against the borough-wide tall buildings policy (P14 – Tall buildings). The New Southwark Plan identifies two potential development sites on St Thomas Street. The design and accessibility guidance for both sites states that taller buildings should be located towards the west of the site and not detract from the primacy of the Shard. Comprehensive mixed-use redevelopment of the sites could include taller buildings subject to consideration of impacts.

##### **Supplemental question**

Mark Bacon asked whether the planning committee will reference the New Southwark Plan in planning applications.

Councillor Mark Williams responded that any new planning applications have to be considered on their own merits and that developments must demonstrate significant benefits for the area. It was clear that landowners would need to work together in

this regard and to comply with good design principles. The Southwark Plan would not be adopted until next year and the council would do all that it can to ensure that any development respects and provides real benefits for the area.

## 2. Public Question from Toby Eckersley

What are the current government-imposed housing revenue account (HRA) and other borrowing limits and how much leeway is there for Southwark to increase borrowings under each relevant limit?

### Response by Cabinet Member for Finance, Modernisation and Performance

The Local Government Act 2003 requires the Authority to have regard to the Chartered Institute of Public Finance and Accountancy's *Prudential Code for Capital Finance in Local Authorities 2011* when determining how much money it can afford to borrow. The objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable, and that decisions are taken in accordance with good professional practice.

The two primary restrictions on local government borrowing are the:

- HRA Indebtedness Limit
- Authorised Limit for External Debt

Our headroom for borrowing, in accordance with the prudential code is set out below:

- £184m Housing Revenue purposes
- £637m for General Fund

Please see below for further information on this headroom.

#### HRA Indebtedness Limit

The maximum limit for HRA indebtedness for Southwark Council specified in the Department for Communities and Local Government's *'Limits on Indebtedness Determination 2012'* is £577m.

The level of HRA indebtedness is equal to the capital financing requirement (CFR) for the HRA. The CFR is the accumulated total of all capital expenditure that is not financed by any of the following

- I. useable capital receipts
- II. capital grants
- III. contributions from the revenue budget
- IV. third part contributions.

This is therefore a reflection of the council's need to finance capital expenditure by borrowing or other long term liability arrangements.

The CFR for the HRA as at 31 March 2017 was £393m, leaving a headroom of

£184m.

#### Authorised Limit

The Local Government Act 2003 requires a local authority to determine how much money it can afford to borrow. This is set out in the *Prudential Code for Capital Finance in Local Authorities* as the Authorised Limit.

Each year the council is required to determine the extent of external debt, beyond which would be unlikely to be sustainable. This is agreed by council assembly as part of the treasury management strategy.

For the financial year 2017-18 the authorised limit was set at £1,205m, the actual level of external borrowing, including other long term liabilities as at 31 March 2017 was £568m, leaving borrowing headroom of £637m for the council as a whole.

The cost of any borrowing is charged to the general fund or housing revenue account as appropriate, both of which are subject to ongoing funding reductions and cost pressures.

Therefore, capital plans for the council are carefully considered in order to maximise the benefit to service users whilst limiting any costs for council tax payers or housing tenants arising from these additional financing costs. As such the council seeks to maximise the use of alternative funding sources; such as capital grants, third part contributions such as section 106 receipts and internal borrowing.

#### Supplemental question

Toby Eckersley asked whether in view of the significant headroom within the housing revenue account, if the cabinet were intending to utilise this headroom in the near future.

Councillor Fiona Colley explained that cabinet receive regular monitoring reports and were next due to receive a report January 2018, which would reflect the current position. (This report was subsequently confirmed as going to cabinet February 2018.)

#### 3. Public Question from Sue Plain

Does the leader or cabinet member believe the quality of facilities for workers in cleansing services impact on gender disproportion in that workforce? If so what plans has the council to improve bathroom and changing facilities? Will the "One Council" approach apply to all our employees in terms of facilities?

#### Response by the Cabinet Member for Finance, Modernisation and Performance

We do not know if there is a link between staff facilities and the gender profile of our workforce. Cleansing services historically, tended to be male dominated and the issue was recently discussed with management and TU's exploring ways of encouraging more women to apply for vacancies in these service areas.

In terms of the current condition of welfare facilities across the borough, we are exploring options to improve our main depots and any work that flows from this will incorporate improvements to our smaller satellite mess rooms.

### **Supplemental question**

Sue Plain asked whether it was possible for the council to do research in view of the lack of knowledge about the link between staff facilities and gender profile, and the impact on staff retention and recruitment.

Councillor Fiona Colley confirmed that she would be happy to ask for this research to be undertaken.

## **6. MINUTES**

### **RESOLVED:**

That the minutes of the meeting held on 19 September 2017 be approved as a correct record and signed by the chair.

## **7. DEPUTATION REQUESTS**

The deputation requests had not been circulated five clear days in advance of the meeting. The chair agreed to accept these as urgent as the requests had been received in line with the constitutional deadline for the receipt of deputation requests. Two requests were received after the deadline, which the chair agreed to accept for reasons of urgency and lateness.

### **RESOLVED:**

That the deputation requests be received.

### **On behalf of dog owners in Southwark**

The deputation spokesperson addressed the meeting in respect of the introduction of public space protection orders (PSPOs) to tackle dog related anti-social behaviour. The deputation expressed their dissatisfaction with the process surrounding the recently proposed Public Space Protection Orders (PSPOs), the restrictions on dog owners and the approach taken to gaining new powers. The deputation outlined the impact of the consultation process and expressed their views on why they felt this process was flawed.

### **Friends of Nunhead Cemetery**

The deputation wished to make the case for restrictions on dogs in Nunhead Cemetery over and above those recommended by officers in the report, relating to the introduction of Public Space Protection Orders (PSPOs). The deputation expressed the view that dogs should be permitted in the cemetery, but that they should be kept on leads in all areas and at all times. It was argued that having dog controls in cemeteries was the norm and a survey of London Boroughs demonstrated that most councils excluded dogs completely from the cemetery. The council's consultation proposed a maximum of 4 dogs per walker and is believed that Southwark should keep to this number (73% agreed or strongly



agreed).

### **Home care workers**

Councillor Victoria Mills having declared a disclosable pecuniary interest, withdrew from the meeting while this deputation was being heard and discussed.

Sue Plain addressed the cabinet on behalf of home care workers in respect of cross referencing the fairer futures procurement strategy and trade union recognition. Home care workers were disproportionately female and may experience elements of bad practice; they therefore required union support and assistance. It was in this context that concern was expressed about the recognition of trade unions. Individuals on their own often felt unable to complain and require union support to do so. Sue Plain suggested a number of amendments to elements of the home care report to reinforce trade union recognition.

Councillor Victoria Mills returned to the meeting at the conclusion of this deputation.

### **Leaseholders, Northchurch, Aylesbury Estate**

The leaseholders referred to various cabinet reports/decisions and the lack of reference within these to the compulsory purchase orders (CPOs) required. Additionally leaseholders had been informed at a meeting on 9 May 2017 that their properties were not required for CPO. Confirmation had been received from the planning department that the original plans had not changed regarding Northchurch. The deputation were therefore querying why a CPO was needed and, felt that the cabinet were misled on the 29 September 2017 and 9 May 2017. It was explained that there were still no new planning applications, so the leaseholders have not been able to look at any of the proposed plans. The leaseholders explained that they had just received letters of the CPO in the last day or so, with obvious upset and distress arising. The deputation felt that there was no compelling reason for cabinet to deprive the leaseholders of their homes and requested that cabinet not agree to commencing compulsory purchase.

### **Parents and Carers Association (in respect of the disability hub)**

Cabinet considered representations from the parents and carers association in respect of Item 21: The Outcome of the Consultation Exercise on Changes to Day Centre Provision at Queens Road and Riverside and the Development of a Disability Hub. The association expressed concerns about the consultation process and assessments that were being undertaken. In terms of assessments, it was felt that they were not being carried out properly, with translations (when needed) not always being provided. While the idea of a hub was seen as a good idea, the rate of change had been difficult.

In response to the issues raised by the deputation, the strategic director of children's and adult services outlined the extensive consultation that had taken place and engagement with parents and carers. The strategic director expressed the commitment to continue to work and support families in the transition. If any particular concerns about assessments or other issues are arising, these would be investigated if details were provided.

## **8. 2017 PRIMARY AND SECONDARY SCHOOL PLACE PLANNING STRATEGY UPDATE**

Councillor Peter John confirmed that a written representation had been received from

Redriff Primary School in respect of this item, which was noted.

**RESOLVED:**

1. That the updated forecasts of primary and secondary school places be noted.
2. That the potential future shortfall of primary reception places in Planning Area 2 (Bermondsey and Rotherhithe) from September 2022 onwards, and Planning Area 1 (Borough, Bankside and Walworth) from September 2023 onwards be noted.
3. That the projected future shortfall of secondary places from September 2018 onwards and the potential need to identify a further site for an expanded or new school and to work closely with schools and academy trusts to determine a solution in the immediate and medium to long term be noted.

**MOTION OF ADJOURNMENT**

At 6.00pm it was moved, seconded and

**RESOLVED:**

That the meeting stand adjourned for five minutes.

The meeting reconvened at 6.05pm.

**9. RESPONSE TO SOUTHWARK SCHOOLS SCRUTINY IN A DAY**

**RESOLVED:**

1. That the response to the education and children's services scrutiny sub-committee report, Southwark schools scrutiny in a day, be approved.
2. That cabinet requests that the education and children's services scrutiny sub-committee consider scrutinising the number and reasons for exclusions during and after Year 12 in Southwark and the governance around these decisions. This follows the unlawful use of exclusions by St Olave's Grammar School in Kent for non-behavioural reasons.

**10. GATEWAY 1: PROCUREMENT STRATEGY APPROVAL - SPECIAL EDUCATIONAL NEEDS AND DISABILITY (SEND) TAXIS FOR CHILDREN, YOUNG PEOPLE AND VULNERABLE YOUNG PEOPLE**

**RESOLVED:**

1. That the procurement strategy outlined in the report for Special Educational Needs and Disability (SEND) taxis for children, young people and vulnerable adults, which is to undertake a competitive tender process for a four year framework agreement commencing on 1 September 2018 until 31 August 2022 be approved.
2. That it be noted that further work is being undertaken in relation to whether it is

feasible to open the framework to other neighbouring boroughs. Cabinet agrees the delegation of this decision to the strategic director of children's and adults' services once the exploratory work is complete and before the OJEU notice is placed.

#### 11. INTRODUCTION OF PUBLIC SPACE PROTECTION ORDERS (PSPOS) TO TACKLE DOG RELATED ANTI-SOCIAL BEHAVIOUR (ASB)

##### RESOLVED:

1. That the introduction of Public Space Protection Orders (PSPOs) implementing the requirements and restrictions as set out in table 1 below, in order to tackle dog related anti-social behavior, as prescribed under The Anti-Social Behaviour Crime and Policing Act 2014 be approved.
2. Table 1 – PSPO requirements and restrictions:

| PSPO requirements and restrictions   | Area  |
|--|---|
| Dog faeces must be cleaned up by those responsible for their dog(s)  | Borough Wide  |
| Dogs must be put on lead when instructed to do so by and authorised officer*<br><br>* Authorised Officer is an officer of the council with delegated authority to enforce the PSPO regulations, Civil Enforcement Officer, Police Officer or Police Community Support Officer. | Borough Wide  |
| Maximum of 6 dogs with one handler with 3 dogs allowed off a lead at any one time.   | Borough Wide<br><br>(excluding One Tree Hill**)<br><br>** The DCO regulations as set out for One Tree Hill have automatically become a PSPO provision from the 20th October 2017, as prescribed under section 76 of the ASB Crime and Policing Act. |
| Dogs must be kept on a lead.<br><br>Maximum of six dogs with one handler.  | Camberwell New Cemetery and Honor Oak Crematorium – Whole site as highlighted on Map (Appendix 1)   |

| PSPO requirements and restrictions                                   | Area   |
|--|--|
| Dogs must be kept on a Lead<br>Maximum of six dogs with one handler. | Camberwell Old Cemetery – Areas highlighted on Map (Appendix 2)  |
| Dogs must be kept on a Lead<br>Maximum of six dogs with one handler. | Nunhead Cemetery – Areas highlighted on Map (Appendix 3)   |
| Dog exclusion areas  | Children’s Play areas*** within Parks and Open Spaces<br><br>Children’s play areas*** within housing estates<br><br>***Defined as gated children’s play areas containing play equipment. |

(Appendix 8 of the report shows the proposed PSPO Order reflecting restrictions and requirements in table 1 above).

3. That the consultation and responses, as set out in the report be noted.
4. That a report be received 12 months after the implementation to review the introduction of Public Space Protection Orders (PSPOs).

## 12. **SAFE AS HOUSES ? INDEPENDENT SOCIAL RESEARCH INTO EARLY IMPACTS OF UNIVERSAL CREDIT (UC) AMONG SOCIAL HOUSING TENANTS IN SOUTHWARK**

### **RESOLVED:**

1. That the final report by the Smith Institute setting out findings from its independent social research (Safe As Houses?) into the impact of Universal Credit (UC) full service for rent payments among affected social housing tenants in Southwark be noted.
2. That the key conclusions from the report which are set out in the report be noted.
3. That it be noted that the cabinet member for finance, modernisation and performance wrote to the Secretary of State for Work and Pensions in July and subsequently gave evidence to the Work & Pensions Select Committee in September.

### **13. ANNUAL WORKFORCE REPORT**

#### **RESOLVED:**

That Appendix 1 be noted and it also be noted that this report:

1. Demonstrates that the council continues to reflect the diversity of the borough in the makeup of its workforce and the levels of change that have taken place have not impacted negatively on the diversity of the workforce.
2. Demonstrates that the council has protected frontline staff despite the level of savings that have been made due to reductions in central government funding.
3. Suggests a picture of a productive and well motivated staff with low levels of sickness, low levels of staff complaints and good rates of staff retention.
4. Suggests that the council is an attractive employer given the high numbers of applications that the council receives.
5. Highlights how we will continue to inform Southwark's Workforce Strategy agreed by cabinet in November 2016 suggesting some areas requiring further consideration and action for example in encouraging staff to declare disabilities assisted by our (human resources) HR system upgrade, so that the council can monitor our commitment to employing and retaining staff with disabilities.

### **14. NEW COMMISSIONING MODEL AND COMMON OUTCOMES FRAMEWORK FOR THE VOLUNTARY AND COMMUNITY SECTOR**

#### **RESOLVED:**

1. That the adoption of the Southwark Common Outcomes Framework (SCOF) and a new outcome-based commissioning model developed by the council, Clinical Commissioning Group (CCG) and voluntary and community sector (VCS) at Appendix 1 be approved.
2. That the changed arrangements to improve co-ordination and planning of commissioning in paragraph 14 of the report be noted.
3. That officers be instructed to implement the new outcomes based approach to commissioning set out in the documents listed in paragraph 15 in the report.

### **15. CONSIDERATION OF OPTIONS FOR BROADBAND IN ROTHERHITHE AND IMPROVING CONNECTIVITY IN THE BOROUGH AS A WHOLE**

#### **RESOLVED:**

1. That the strategic options assessment set out in the report for digital infrastructure in the Rotherhithe and Surrey Docks wards and the rest of the borough more generally be approved.

2. That the approach to the roll out of wireless broadband, set out at paragraphs 13 to 21 of the report, be approved.
3. That the plan to adopt a new corporate wayleave strategy for the installation of fibre broadband infrastructure, set out at paragraphs 22 to 27 of the report, be approved.
4. That the council-wide digital infrastructure strategy, set out at paragraphs 28 to 29 of the report, be approved.
5. That the creation and funding, initially for a two year period, of a digital infrastructure programme to deliver the council's new digital infrastructure strategy, set out at paragraphs 35 to 38 of the report, be approved.

## **16. NEW SOUTHWARK PLAN: PROPOSED SUBMISSION VERSION**

It was confirmed that this Plan would be considered by council assembly 29 November 2017.

### **RESOLVED:**

1. That the New Southwark Plan: Proposed Submission Version (Appendix A of the report) be agreed for consultation.
2. That the Consultation Plan (Appendix B of the report) and Consultation Report (Appendix C of the report) be noted.
3. That Integrated Impact Assessment (Appendix D of the report) and Habitats Regulations Assessment (Appendix E of the report) be noted.
4. That the addendum report be noted and the following amendment be agreed:

#### **Update to Site Vision for NSP84: 330-344 Walworth Road**

The Site Vision for NSP88 330-344 Walworth Road to be updated to read 'Redevelopment of the site should reprovide a gym (D1) of equivalent size'. The Design and Accessibility Guidance to be updated to include the following guidance 'The site currently includes affordable retail space, including a small supermarket. Any redevelopment should reprovide affordable retail space in accordance with policies P28 and P29.'

## **17. COMMUNITY INFRASTRUCTURE LEVY AND SECTION 106 PLANNING OBLIGATIONS AND COMMUNITY INFRASTRUCTURE LEVY SUPPLEMENTARY PLANNING DOCUMENT**

### **RESOLVED:**

That council assembly be recommended to:

1. Consider the Examiner's Report on the revisions to the Southwark Community Infrastructure Levy (Revised Southwark CIL) (Appendix A of the report).
2. Approve the Revised Southwark CIL Charging Schedule (Appendix B of the report)

and bring it into effect on 1 December 2017.

3. Approve the revisions to Southwark's "Regulation 123 List" (Appendix C of the report).
4. Note the Revised Southwark CIL Infrastructure Plan (Appendix D of the report), the Equalities Analysis (Appendix E of the report) and Consultation Report (Appendix F of the report).

That cabinet:

5. Rescinds the January 2017 Addendum to the Section 106 Planning Obligations and Community Infrastructure Levy Supplementary Planning Document (2015) (Appendix G of the report) on 1 December 2017, subject to approval of the Revised Southwark CIL by council assembly on 29 November 2017.

#### **18. A REVIEW OF FURTHER EDUCATION AND SKILLS PROVISION IN THE LONDON BOROUGH OF SOUTHWARK - RESPONSE TO OVERVIEW AND SCRUTINY COMMITTEE**

Councillor Gavin Edwards, chair of the overview and scrutiny committee was unable to attend the cabinet meeting, but confirmed that he was satisfied with the response.

##### **RESOLVED:**

1. That the response to the recommendations in the report 'A Review of Further Education and Skills Provision in the London Borough of Southwark: Report of the Overview and Scrutiny Committee' (June 2017) be noted.
2. That the progress of the emerging Skills Strategy for Southwark, the development of which was agreed by cabinet at its meeting in March 2017 be noted.

#### **19. GATEWAY 2: CONTRACT AWARD APPROVAL - CARE AT HOME CONTRACTS**

Councillor Victoria Mills having declared a disclosable pecuniary interest, withdrew from the meeting while this item was being discussed.

##### **RESOLVED:**

1. That the change in the agreed evaluation methodology to a cost/quality weighting of 70.30 as detailed in paragraph 6 of the report be noted.
2. That the award of the home care (Care at Home) contracts to the following providers for a period of five years commencing from 4 December 2017 for general home care (Lots 1-9) and from 1 March 2018 for extra care and night owls (Lot 10) with provision to extend all contracts set out at the council's discretion for a further two years be approved. Details of the contracts are set out in the table below:

| Lot No | Description of contract | Name | Estimated annual Contract | Estimated value at five year | Estimated value if two year | Total estimated contract |
|--------|-------------------------|------|---------------------------|------------------------------|-----------------------------|--------------------------|
|        |                         |      |                           |                              |                             |                          |

|       |                        |                             | Value   | term     | extensions exercised | Value    |
|-------|------------------------|-----------------------------|---------|----------|----------------------|----------|
| 1     | General Home Care      | London Care Ltd             | £2.82m  | £14.10m  | £5.64m               | £19.74m  |
| 2     | General Home Care      | Sagecare Ltd                | £2.82m  | £14.10m  | £5.64m               | £19.74m  |
| 3     | General Home Care      | Supreme Care Services Ltd   | £2.13m  | £10.66m  | £4.26m               | £14.92m  |
| 4     | General Home Care      | Medacs Health Care PLC      | £2.20m  | £11.02m  | £4.41m               | £15.43m  |
| 5     | General Home Care      | London Care Ltd             | £2.73m  | £13.63m  | £5.45m               | £19.08m  |
| 6     | General Home Care      | Sagecare Ltd                | £2.73m  | £13.63m  | £5.45m               | £19.08m  |
| 7     | General Home Care      | Supreme Care Services Ltd   | £2.30m  | £11.48m  | £4.59m               | £16.08m  |
| 8     | General Home Care      | Medacs Health Care PLC      | £0.86m  | £4.29m   | £1.72m               | £6.01m   |
| 9     | General Home Care      | Carewatch Care Services Ltd | £0.88m  | £4.39m   | £1.76m               | £6.15m   |
| 10    | Extra Care +Night Owls | London Care Ltd             | £1.84m  | £9.21m   | £3.68m               | £12.89m  |
| Total |                        |                             | £21.30m | £106.51m | £42.60m              | £149.12m |

3. That, given the value that cabinet place on the benefits of trade union membership, officers are to write to all the successful bidders to explain those benefits and ask them to go beyond the current requirements of the contract by offering to recognise unions across the workforce engaged on the care at home contracts, rather than just those with TUPE protection. Officers are also asked to provide regular updates about responses to this request to the lead member as part of the wider briefings received in relation to the mobilisation of the contract.
4. That the home care contracts continue to be monitored by cabinet.
5. That the strategic director of children's and adults services write to Councillor Peter John and the chair of overview and scrutiny committee, setting out in writing his response in respect of queries raised on procurement.



(Councillor Victoria Mills returned to the meeting at the conclusion of this item).

**20. ACQUISITION OF AFFORDABLE HOUSING AT LONGVILLE ROAD, SE11**

**RESOLVED:**

1. That the acquisition of 115 units of housing that has been constructed as part of the regeneration of the former London Park Hotel on the principal terms set out in the closed version of this report be approved.
2. That the director of regeneration be authorised to agree detailed terms of the purchase.

**21. THE OUTCOME OF THE CONSULTATION EXERCISE ON CHANGES TO DAY CENTRE PROVISION AT QUEENS ROAD AND RIVERSIDE AND THE DEVELOPMENT OF A DISABILITY HUB**

Comments contained within the report from the director of law and democracy were tabled. These comments were contained within the report circulated in advance of the meeting and were not changed, but due to formatting issues were tabled for clarification purposes.

**RESOLVED:**

1. That the responses to the consultation conducted between 26 June 2017 and 7 August 2017 on the proposal to develop a 'Disabilities Hub' for people in Southwark as set out in the report and in Appendix 1 of the report be noted.
2. That the responses to the further consultation conducted between 19 September 2017 and 17 October 2017 on the proposal to develop a disabilities hub for people in Southwark and the ending of the lease for Queens Road day centre as set out in this report and in Appendix 2 of the report be noted.
3. That the equality impact analysis set out in Appendix 3 of the report be noted.
4. That the proposal to develop a disabilities hub at the Southwark Resource Centre including the provision of structured day services for people with learning disabilities at the Southwark Resource Centre be adopted.
5. That it be noted that the development of the disability hub is likely to result in the services provided by the Camden Society at Queens Road day centre no longer being required; and that a subsequent report will consider the future use of the building at Queens Road and the proposal to use it for Southwark services and staff.
6. That it be noted that individual service users assessments for all existing Queens Road service users have identified that all needs can be met via alternative provision and services in Southwark, including services to be provided by the disabilities hub, Riverside day center and other community based support.
7. That it be noted that the council has offered the Camden Society a new 20-year lease on the Riverside day centre, in Bermondsey so that they can continue day

centre provision for people with learning disabilities in Southwark.

## **22. AYLESBURY ESTATE: COMMUNITY FACILITIES AT PLOT 18 DELIVERY**

Council officers provided a verbal response to the issues raised by the deputation at the meeting and agreed to respond in writing as well.

### **RESOLVED:**

1. That the current position in relation to the delivery of new homes and a range of new community facilities at Plot 18 of the Aylesbury regeneration programme be noted as follows:
  - Outline consent for the redevelopment of the site was granted in August 2015
  - Cabinet approved the submission of a detailed scheme for Plot 18 for planning consent in October 2015
  - Detailed reserved matters planning consent was granted in December 2016
  - Cabinet approved the funding package for the delivery of Plot 18 in February 2017
  - An application has been submitted to amend the consented tenure mix for Plot 18 in line with the revised tenure mix reported to cabinet in May 2017
  - Vacant possession of 300-313 Missenden and the blue huts was achieved in March 2016 and demolition was completed in June 2017
  - The council has successfully acquired 2 resident leasehold properties within 57-76 Northchurch by agreement and successfully rehoused 13 households on a secure tenancy
  - Initial service diversion works have commenced and will be completed in 2018
  - The council is continuing to negotiate with all 3 remaining leaseholders within 57-76 Northchurch with the intention to acquire these remaining interests by agreement.
2. That a Compulsory Purchase Order under Section 226 (1)(a) of the Town & Country Planning Act 1990 is made for all land and rights within the area of land identified within the plan at Appendix 2 of the report for the purposes of securing the delivery of new homes and community facilities on the site in line with the existing planning consent and thereby securing the regeneration of the Aylesbury Estate in line with the adopted Aylesbury Area Action Plan.
3. That it be noted that an update report on further progress towards obtaining vacant possession of the site will be brought to cabinet before a Compulsory Purchase Order is made.

## **23. AYLESBURY ESTATE: APPROVED PREMISES FACILITY (APF) DELIVERY**

### **RESOLVED:**

1. That the current position in relation to the delivery of the Approved Premises Facility (APF) at Plot 4 within Phase 2 of the Aylesbury regeneration programme be noted:
  - Detailed planning permission granted for the development in April 2017

- Funding is already allocated within existing Aylesbury Housing Investment programme allocation for Aylesbury
  - The council has successfully acquired all 4 resident leasehold properties within 1-30 Foxcote by agreement and 4 of the 7 non-resident leaseholders as well as successfully rehoused 16 households on a secure tenancy
  - The council is continuing to negotiate with all 3 remaining owners within 1-30 Foxcote and the owner of 140 Albany Rd with the intention to acquire these remaining interests by agreement.
2. That Compulsory Purchase Order under section 226 (1)(a) of the Town & Country Planning Act 1990 is made for all land and rights within the area of land identified within the plan at Appendix 2 of the report for the purposes of securing the delivery of the Approved Premises Facility on the site in line with the existing planning consent and thereby securing decant facilities for Ellison House in turn enabling the delivery of the First Development Site and delivering the regeneration of the wider Aylesbury Estate in line with the adopted Aylesbury Area Action Plan.
  3. That it be noted that an update report on further progress towards obtaining vacant possession of the site will be brought to cabinet before a Compulsory Purchase Order is made.
  4. That it be confirmed that the area of council-owned land hatched black on the plan at Appendix 3 of the report is no longer required for the purposes for which it is currently held and approves the appropriation of the land to planning purposes to facilitate the carrying out of the development proposals for the area in accordance with section 226 of the Town and Country Planning Act 1990 and section 122(1) of the Local Government Act 1972 (as amended), subject to compliance with the advertisement requirements of section 122(2A) of the Local Government Act 1972.
  5. That following completion of the appropriation at paragraph 4 above, it be confirmed that the area of council-owned land hatched black on the plan at Appendix 3 of the report will no longer be required for planning purposes and approves the appropriation of the land to housing purposes in accordance with section 9 of the Housing Act 1985 and section 122(1) of the Local Government Act 1972 (as amended), subject to compliance with the advertisement requirements of section 122(2A) of the Local Government Act 1972.

## **EXCLUSION OF THE PRESS AND PUBLIC**

### **RESOLVED:**

That the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in category 3 of paragraph 10.4 of the access to information procedure rules of the Southwark Constitution.

The following is a summary of the decisions taken in the closed part of the meeting.

**24. MINUTES****RESOLVED:**

That the minutes of the closed section of the meeting held on 19 September 2017 were approved as a correct record and signed by the chair.

**25. GATEWAY 2: CONTRACT AWARD APPROVAL - CARE AT HOME CONTRACTS**

Councillor Victoria Mills having declared a disclosable pecuniary interest, withdrew from the meeting while this item was being discussed.

The cabinet considered the closed information relating to this item. Please see item 19 for the decision.

**26. ACQUISITION OF AFFORDABLE HOUSING AT LONGVILLE ROAD, SE11**

The cabinet considered the closed information relating to this item. Please see item 20 for the decision.

Meeting ended at 7.30 pm.

**CHAIR:**

**DATED:**

**DEADLINE FOR NOTIFICATION OF CALL-IN UNDER SECTION 21 OF THE OVERVIEW AND SCRUTINY PROCEDURE RULES IS MIDNIGHT, WEDNESDAY 8 NOVEMBER 2017.**

**THE ABOVE DECISIONS WILL NOT BE IMPLEMENTABLE UNTIL AFTER THAT DATE. SHOULD A DECISION OF THE CABINET BE CALLED-IN FOR SCRUTINY, THEN THE RELEVANT DECISION WILL BE HELD IN ABEYANCE PENDING THE OUTCOME OF SCRUTINY CONSIDERATION.**

|                                    |                                |   |                                 |
|------------------------------------|--------------------------------|---|---------------------------------|
| <b>Item No.</b><br>8.              | <b>Classification:</b><br>Open | <b>Date:</b><br>12 December 2017                | <b>Meeting Name:</b><br>Cabinet |
| <b>Report title:</b>               |                                | Southwark School Standards Report 2017          |                                 |
| <b>Ward(s) or groups affected:</b> |                                | All   |                                 |
| <b>Cabinet Member:</b>             |                                | Councillor Victoria Mills, Children and Schools |                                 |

## **FOREWORD BY COUNCILLOR VICTORIA MILLS, CABINET MEMBER FOR CHILDREN AND SCHOOLS**

We believe in giving all our young people the best start in life. We know that what we learn and discover at school can profoundly influence what we are able to achieve later in life, and that a great education is a key to unlock each and every child's full potential. Making sure that all Southwark's schools support but also challenge our young people is at the very heart of all that we do. We are proud of our schools. They are above the national average in all external examination areas and 89% are judged as being good or outstanding by Ofsted.

This report sets out information on school standards and related areas in Southwark. It includes school results in external assessments as well as investigating the attainment of Looked After Children, and the attainment of children from a range of different pupil groups in Southwark. It challenges the council and our schools to ensure that high quality teaching is reaching and benefiting all our children. The report also sets out our schools' records on attendance and exclusions and sets out the recognition of teachers and governors through our awards programme. The council's Primary and Secondary Place Planning Strategy sets out extensive details of our work to ensure there is a local primary school place for every child, and we meet the demand for secondary school places. However, this report highlights the progress made over recent years to make sure parents and young people feel they can express and secure a genuine preference when applying for a school place.

We remain ambitious for our children and our schools. Our aim is that at every age, at every stage of assessment, and across all pupil groups, Southwark young people are outperforming their peers nationally, across London and against our statistical neighbours. Our children and young people deserve the very best and that's what we will always aim for.

### **RECOMMENDATIONS**

1. That cabinet note the 'Best start in life - Southwark school standards report 2017' attached at Appendix 1.

### **BACKGROUND INFORMATION**

2. Members requested a report on school standards in Southwark be produced that would set out information covering attainment across the borough. The attached report at Appendix 1 contains information on educational achievement ranging from Early Years Foundation Stage (5 years old), through

to A-levels. The report also contains data on post-16 not in education, employment or training (NEET) performance; the achievement of different groups, including Looked After Children; information on attendance and exclusion and school admissions.

### **KEY ISSUES FOR CONSIDERATION**

3. The key issues for consideration are included in the report at Appendix 1 - 'Best start in life – Southwark school standards report 2017'.
4. The 2017 data contained within this report is provisional. The Department for Education will provide validated results in December for primary phase and January for secondary phase.
5. We will update the report as required as soon as the validated results are published.

### **Policy implications**

6. The report at Appendix 1 is fully aligned to local planning and policy frameworks including the Council Plan, and Children and Young People's Plan 2016-18. These outline the council's continued commitment to meeting the demand for primary and secondary school places and supporting schools to be good or outstanding, with children and young people able to achieve their full potential.

### **Community impact statement**

7. The impact on communities of the issues and recommendation within the school standards report has been considered in line with Southwark's Approach to Equality. Generally the recommendations will have a positive impact on communities through the commitment to meeting the demand for primary and secondary school places and continuing to drive up standards across our schools.
8. The school standards report at Appendix 1 includes detailed information on the attainment of different pupil groups by race and ethnicity, disability, gender, age and disadvantage identified through pupil premium funding and/or eligibility for free school meals (including deprivation, adopted from care and children looked after). The report also includes information on what Southwark council intends to improve.

### **Resource implications**

9. There are no resource implications resulting from the recommendations in this report. The continued delivery of universal education services and statutory functions, including early years, school improvement, school admissions and youth services, specialist education and special educational needs services will continue to be provided via the existing education budget as set out in the council's Policy and Resources Strategy 2015-16 to 2017-18.

## SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

### Director of Law and Democracy

10. The purpose of this report is to provide an update to Cabinet on Southwark school standards in 2017.
11. The council is the relevant authority tasked with carrying out functions in relation to education and childcare in Southwark.
12. The council has a number of general duties in relation to the provision of education, including a duty to contribute towards the spiritual, moral, mental and physical development of the community, by securing that efficient primary, secondary and further education are available to meet the needs of the population of the area. Cabinet will note that the council itself maintains the significant majority of the schools discussed in the report; however the council's ability to develop new school proposals is now significantly restricted, and legislation enables existing maintained schools to convert to academy status which are outside of the council's ownership and control.
13. In respect of people aged under 20 (or over 20 if the council maintains an Education, Health and Care Plan for them), the council must also exercise its education and training functions with a view to promoting high standards, ensuring fair access to opportunities for education and training, and promoting the fulfilment of learning potential by every person to whom this duty applies.
14. More generally, in respect of the well-being of children, the council is under a duty to make arrangements to promote cooperation between the council and relevant partners to promote the well-being of children in the authority's area. The council is also under a duty to improve the well-being of young children and reduce inequalities between them. "Well-being" in this context relates to education and training, amongst other things.
15. As such, the preparation of a school standards report is something that can be said to be incidental to the council's functions in these areas.
16. In 2016 the Education and Inspections Act 2006 was amended. The Act makes provision for intervention by the local authority and/or the Secretary of State in relation to "schools causing concern". New section 60B of the Act extends these intervention powers to certain schools that are deemed to be "coasting". The definition of "coasting" schools is set out in the Coasting Schools (England) Regulations 2017. This document confirms that a maintained primary school or primary academy school will be coasting if, in the three school years from commencing 2013-14, fewer than 85% of its pupils achieve the expected standard across reading, writing and mathematics and pupils do not make sufficient progress, both as measured by national key stage 2 statistics. Secondary schools will be coasting if, in the three school years from commencing 2013/14, fewer than 60% of its pupils achieve the expected attainment standard and pupils do not make sufficient progress, both as measured by national key stage 4 statistics.
17. The inspection of schools is a function of the Chief Inspector of Schools. The assessment data for Key Stages 1 and 2, referred to in the report, arises from tests that schools are under a duty to administer; they must also report the results of those tests.

18. The Academies Act 2010 was also amended earlier this year to confer a duty on the Secretary of State to make an academy order in respect of a school found, after inspection, to require significant improvement or special measures.
19. Besides these more general duties, the council has a number of more specific functions in relation to education. Of particular relevance to the subject matter of the report are: the duty to exercise council functions with a view to promoting the effective participation by young people aged 16-18 in education or training; a duty to promote the educational achievement of children looked after by the council; a duty to make arrangements (so far as it is possible) to identify children in Southwark who are of compulsory school age but are not registered with a school and are not receiving suitable alternative education; and powers to instigate legal proceedings for non-school attendance.
20. When making its decision, section 149 Equality Act 2010 requires that Cabinet have due regard to the need to eliminate discrimination and other prohibited conduct and advance equality of opportunity and foster good relations between people who share a relevant protected characteristic and those who do not. Information about the consideration given to equalities issues is set out in the Community Impact Statement.

#### **Strategic Director of Finance and Governance**

21. The strategic director of finance and governance notes the recommendations in this report which sets out information on school standards including school results in external assessments, attendance and exclusions from school, admissions, the attainment of Looked After Children, and the attainment of children from different pupil groups in Southwark.
22. The financial implications are outlined in the body of the report and highlight that funding is identified via existing education budget as set out in the council's Policy and Resources Strategy 2015-16 to 2017-18.



## BACKGROUND DOCUMENTS

| Background Papers   | Held At                                |
|---|--|
| Performance tables for school level and national 2014 KS2; GCSE and A Level attainment  | Department for Education (DfE) website |
| <b>Web link:</b><br><a href="http://www.education.gov.uk/schools/performance/">http://www.education.gov.uk/schools/performance/</a>   |  |
| School level and national pre 2014 KS2; GCSE and A level attainment   | DfE website                            |
| <b>Web link:</b><br><a href="http://www.education.gov.uk/schools/performance/archive/index.shtml">http://www.education.gov.uk/schools/performance/archive/index.shtml</a>   |  |
| Local authority level and national KS1 and phonics attainments 2015   | DfE website                            |
| <b>Web link (please copy and paste into your browser):</b><br><a href="https://www.gov.uk/government/statistics/phonics-screening-check-and-key-stage-1-assessments-england-2015">https://www.gov.uk/government/statistics/phonics-screening-check-and-key-stage-1-assessments-england-2015</a> |  |
| Local authority level and national KS2 data   | DfE website                            |
| <b>Web link :</b><br><a href="https://www.gov.uk/government/statistics/national-curriculum-assesments-at-key-stage-2-2015-provisional">https://www.gov.uk/government/statistics/national-curriculum-assesments-at-key-stage-2-2015-provisional</a>  |  |

## APPENDICES

| No.        | Title   |
|------------|---|
| Appendix 1 | Best start in life – Southwark School Standards report 2017 (circulated separately) |

## AUDIT TRAIL

|   |   |                          |
|---|---|--------------------------|
| <b>Cabinet Member</b>   | Councillor Victoria Mills, Children and Schools |                          |
| <b>Lead Officer</b>   | Nina Dohel, Director of Education               |                          |
| <b>Report Author</b>  | Terry Segarty, Head of Standards 0-19           |                          |
| <b>Version</b>  | Final   |                          |
| <b>Dated</b>  | 21 November 2017                                |                          |
| <b>Key Decision?</b>  | No  |                          |
| <b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b> |   |                          |
| <b>Officer Title</b>  | <b>Comments sought</b>                          | <b>Comments included</b> |
| Director of Law and Democracy   | Yes   | Yes                      |
| Strategic Director of Finance and Governance                            | Yes   | Yes                      |
| <b>Cabinet Member</b>   | Yes   | Yes                      |
| <b>Date final report sent to Constitutional Team</b>                    |   | 1 December 2017          |

|                                    |                                |   |                                 |
|------------------------------------|--------------------------------|---|---------------------------------|
| <b>Item no.</b><br>9.              | <b>Classification:</b><br>Open | <b>Date:</b><br>12 December 2017  | <b>Meeting Name:</b><br>Cabinet |
| <b>Report title:</b>               |                                | Response to Southwark GP Practices - Quality of Provision and Local Support Arrangements - A report from the Healthy Communities Scrutiny Sub Committee |                                 |
| <b>Ward(s) or groups affected:</b> |                                | All   |                                 |
| <b>Cabinet Member</b>              |                                | Councillor Maisie Anderson, Public Health and Social Regeneration   |                                 |

### **FOREWORD - COUNCILLOR MAISIE ANDERSON, CABINET MEMBER FOR PUBLIC HEALTH AND SOCIAL REGENERATION**

In September, Cabinet received a report from the Healthy Communities Scrutiny Sub Committee 'Southwark GP Practices - Quality of Provision and Local Support Arrangements'. Quality healthcare at a local level, provided by GPs as well as in a range of community settings, is hugely important to the residents of Southwark. We welcome the work that the Committee had done in this area and the recommendations made in the report.

In particular, we welcome the focus on both healthcare delivery and on preventative work in the recommendations. It is clear that enabling Southwark residents to live healthy lives, and to stay well for as long as possible, is of great importance. It is also the key to the sustainability of healthcare in our borough going forward. In addition, the Committee has rightly identified the importance of pathways and of designing healthcare delivery from the perspective of residents.

In order to continue to improve the health of Southwark's population - and in particular to reduce health inequalities - the Council and Southwark CCG must take a joint approach. Southwark GPs and the CCG are our important and valued partners in this endeavour.

I am pleased to report back on the initial implementation of the recommendations and I look forward to continuing our work with our local GPs and the CCG going forward. Responses to the recommendations below are separated by organisation, and there are also joint responses from both organisations where appropriate.

### **RECOMMENDATION**

1. That Cabinet agree the proposed response to the Healthy Communities Scrutiny report on Southwark GP Practices and note the progress in taking forward the recommendations.

### **BACKGROUND INFORMATION**

2. The Healthy Communities Scrutiny Sub Committee looked into the quality of provision and local support arrangements for GP surgeries in Southwark. The Overview and Scrutiny Committee received and endorsed the report at its meeting on 19 June 2017 and the recommendations were considered at Cabinet 19 September.

3. This report sets out the response from the Cabinet Member for Public Health and Social Regeneration.

### **KEY ISSUES FOR CONSIDERATION**

4. An update against each of the recommendations from Healthy Communities Scrutiny Sub-Committee is provided below.

Recommendation 1. *The Committee recommends that Southwark look at the Well Centre which currently operates in Lambeth.*

#### Southwark Council response

- The Lambeth Well Centre is a hub focused on young people's health, based in Streatham. It is a collaboration of a local GP Surgery and the charity RedThread that receive funding through Lambeth CCG. Young people can attend without an appointment and see a GP, youth worker, or other professional to help them with their wellbeing (e.g. sexual health). It sees young people aged 13-20 and has been running for the past 6 years. They see on average 500 young people annually of which 70% are approximately self referrals, the remainder being referred through local GPs, schools, CAMHS and youth offending service.
- Southwark Council has this year commissioned an integrated wellbeing service for the borough's young people (aged 10-25 years), to help them with a range of issues including sexual health, mental wellbeing, and drugs and alcohol. Lessons and best practice from the Well Centre have informed the development of the new service which will have a Southwark hub and provide outreach to a range of young people-friendly settings. This contract commences on 1<sup>st</sup> December 2017. The council is currently working with Southwark CCG to identify appropriate mechanisms to allow young people to access both GP and specialist mental health support as part of this new service.

Recommendation 2. *The Committee recommends that the Public Health Director look closely at the ways in which we can send a protection message to residents on issues including smoking cessation, obesity, and promote the role of health visitors and school nurses.*

#### Southwark Council response

- The Healthy Weight Action and Tobacco Action Plans are prioritising improving how prevention messages are delivered in the borough. There is a programme of training being delivered in 2018 which will support the communication of healthy weight and healthy living across the borough including the use of brief advice and brief interventions by frontline staff to raise health issues and sign post to prevention services using consistent, evidence-based messages. There will also be an event organised for GPs on the health improvement services available for referring their patients to. Planned campaigns include work with young people to consume less sugar as part of the Declaration on Sugar Reduction and Healthier Eating. The campaign will draw upon lessons learnt and previous messaging from the GULP (Give Up Loving Pop), Sugar Smart, and Sugar Cubes campaigns from across the country.

- National campaigns such as Stoptober are supported as well as more local initiatives such as Smokefree workplaces and educational campuses. Through enforcement against illegal tobacco and the associated publicity, there is awareness raising on the harms of illegal tobacco and the strong links between illegal tobacco and organised crime.
- School nursing and health visiting are universal services available to all. Public health has recently completed a review of school health needs and will be taking this work forward with the aim of promoting the role of the school nurse in improving health outcomes for children and young people. We also continue to work with our health visiting services to ensure their work is informed by local health and wellbeing needs.

*Recommendation 3. The Committee recommends that the Health and Wellbeing Board considers the outcomes from this consultation and the best ways in which a joined up approach can be taken to address issues.*

Southwark Council response

- The Health and Wellbeing Board strongly prioritises prevention. The major priorities include smoking, healthy weight, sexual health, alcohol and mental health and wellbeing. It is the main forum for leadership on health and wellbeing and provides the steer and oversight on strategy development as well as receiving performance reports. The functioning of the board is being reviewed and opportunities for strengthening its partnership working will be highlighted and recommendations made.

*Recommendation 4. The Committee recommends that the Council consider further ways in which to provide exercise and healthy eating for its residents.*

Southwark Council response

- A new Physical Activity and Sport Strategy will be developed for early 2018. The strategy aims to increase physical activity levels generally as well as focusing on residents who are inactive or less active. The Healthy Weight Strategy is also being refreshed. Opportunities for additional ways that the Council supports health eating and physical activity will be recommended in the refreshed strategies.
- Some further actions have already been identified and they include: extending the support for healthy weaning in the borough including supporting local business to be breast feeding friendly through the Breastfeeding Welcome Scheme; piloting the Sport England Physical Activity Clinical Advice Pad with GP practices to 'prescribe' physical activity using a prescription pad; working with CCG partners to commission and deliver Walk Away from Diabetes; extending the support available to early years settings for promoting healthier eating and physical activity; supporting the establishment of a Food Power Alliance to identify ways to improve access to healthy and nutritious food and tackle food poverty.
- The free swim and gym programme is helping to encourage our residents to be more active. We will continue to encourage less active people to use the FSG offer by making improvements to the GP and health check referral system. Over 80,600 are signed up to FSG of which
  - 20% of the people registered(80,640) are under 16.

- 55% of people registered are female.
  - 65% of people registered are BME.
  - 8% of people registered are disabled.
  - 9% of people registered are over 55 years old.
- The physical environment shapes behaviours and in addition to supporting lifestyle and behaviour changes, Southwark Council is creating healthier environments for our residents to live and work in. One of the major strategic policies in the New Southwark Plan (Proposed Submission version) is to promote healthy and active lives. This means that we are intending: to implement hot food takeaway exclusion zones by rejecting new applications within 400m of secondary schools and to prevent clustering (no more than 1 take away in 21 shops); to promote 'active design' principles in our developments and town centres ie design physical space and buildings that encourage people to be active; to encourage active travel by improving cycling and walking routes; to protect our green spaces for recreation and leisure.

*Recommendation 5. The Committee recommends that the Council continues to work together with the CCG to promote the medical pathways across the Borough, including local pharmacies, GPs, walk-in centres, A&E and urgent care facilities. This should include promotion through Community Councils and Southwark Life. Further consideration should also be given to the role of MySouthwark and how this can be used to promote GP services.*

#### Southwark Council and CCG response

- This winter, the CCG will be supporting national and local campaigns to raise awareness of extended GP access services and the 111 phone line. The Council and the CCG will be working together on publications such as Southwark Life and tenants newsletters and council-run sites around the borough. This is in addition to the general Stay Well winter messages that target older people with long term conditions with advice on how to stay healthy and when to seek advice from pharmacists.
- The Council and the CCG will continue to work with the e-services team to look at how we can use MySouthwark to promote local health services and linking this to real time information about the nearest and most suitable services for local residents.
- The Community Council meetings provide slots and information stalls on a regular basis to the CCG, Healthwatch and other health organisations including the voluntary and community sector. Topics have included keeping well, One You (health information) as well as specific topics such as mental health, extended primary care services and NHS prescriptions. The Dulwich Community Council together with the CCG have also considered how they can leverage the development of the new Dulwich Health Centre.

*Recommendation 6. The Committee recommends that the CCG undertakes mystery shopping into the length of waits of GP appointments, and the extent to which GP surgeries are making people aware of the ability to use the Borough's extended access GP facilities.*

#### Southwark CCG response

- NHS England has commissioned a national survey on access to GP appointments. The CCG is awaiting the findings from the survey which is expected spring 2018. A lot of work is already currently taking place to advertise the extended primary care services including e-advertising, local newspapers and working through patient networks and

voluntary and community groups. The results of the survey will be used to inform additional targeted information for people experiencing difficulties in making appointments.

- There is also an annual GP patient survey conducted across England. Southwark practices average results have remained the same or improved compared to the previous year. Southwark's average result for 'success of getting an appointment', 'overall experience of making an appointment' and 'ease of getting through to the GP surgery on the phone' responses has improved by 2% on the previous period.
- The CCG monitors the patient feedback on access including the annual GP patient service and follows up with individual practices where it is identified that access is an issue.
- The CCG did explore completing a 'mystery shopping' exercise as part of the extended primary care services (EPCS) evaluation but could not complete it due to information governance rules. The Healthwatch access report following an 'enter and view' is providing an in depth look at access across the whole of Southwark by an independent organisation.
- The CCG received the draft Healthwatch Access report from the work they have completed in each Southwark GP practice site. The CCG is in the process of reviewing and responding to the outcomes of the report which will be discussed at an open patient event with Healthwatch on 5 December 2017. The report will be shared with Southwark Council and any concerns from residents at a ward level will be fed back to the CCG.

*Recommendation 7. The Committee recommends that there are stronger stipulations for the need for new health facilities as part of future planning agreements to ensure adequate provision is made available for new and existing populations.*

*Southwark Council response*

- The Southwark Social Regeneration Framework has improving the health and wellbeing of residents at its centre. The Social Regeneration Framework has informed the New Southwark Plan to make sure that new health facilities are provided as part of future planning agreements. In the New Southwark Plan, SP5: Healthy, active lives and P42: Healthy developments will help ensure adequate provision is made for new health facilities. Section 106 planning legal agreements will be negotiated where the council has evidence that there are insufficient existing facilities to serve proposed development and a new health facility can be incorporated. Officers have been working with the CCG to estimate population growth linked to new housing and plan for new facilities proactively. This has resulted in an estates strategy produced by the CCG and supporting policy in the proposed submission version of the New Southwark Plan. The evidence and draft policies will make it easier to secure new facilities within planning agreements.

*Recommendation 8. The Committee further recommends that the Council works more closely with the CCG at an early stage to understand the likely pressures on general practice and build in adequate provision early in the process.*

Southwark Council response

- Public Health and Planning Policy works closely with the CCG to identify demographic trends through the Joint Strategic Needs Assessment and other pieces of health intelligence work to inform service planning. This includes joint working on population projections and potential needs linked to regeneration and new housing and their impact on GP lists.

Recommendation 9. *The Committee recommends a Memorandum of Understanding be developed which sets out the key questions to be asked of any new development in terms of addressing future population changes in respect of general practices and other health services.*

Southwark Council response

- The New Southwark Plan will require new development to address infrastructure needs, including for health services. The Southwark validation checklist for planning applications indicates that Health Impact Assessments will be sought after the New Southwark Plan is adopted. These should be produced under London Healthy Urban Development Unit (HUDU) guidance. HUDU provide tools to assess the health service requirements and cost impacts of new residential developments.

Recommendation 10. *The Committee recommends that the Council should consider negotiating lower rents for general practice as part of any new development to ensure that adequate provision is available for new and existing residents. This could include ring-fencing portions of CIL to provide specifically for GP services.*

Southwark Council response

- Planning policy in the New Southwark Plan and the powers to negotiate legal agreements will allow the council to secure new GP facilities when granting planning permission where there is evidence that they are required. Sufficient health floor space would be secured (planning use class D1) for which the NHS would pay a typical rent for D1 floor space. That rent level would be lower than for commercial uses such as retail or office space.
- CIL funds are spent on infrastructure listed in the CIL Regulation 123 list. Health facilities are included on the CIL Regulation 123 list so can be supported by CIL. CIL funding is not further ring-fenced because it is a standard charge on development for the funding of strategic infrastructure required by overall development in the borough. CIL funding is different to financial contributions secured under Section 106 planning legal agreements, which are ring-fenced in the agreement to be spent on infrastructure to offset the specific impacts of the development. The council has funds collected under these agreements from historic permissions available to be spent on health facilities in the vicinity of development sites.

Recommendation 11. *The Committee recommends that key worker housing, or affordable housing prioritised for local workers should be seriously considered as part of any large planning agreement.*

### Southwark Council response

- There is a 50% strategic target for the number of new affordable homes in Southwark. A minimum 35% affordable housing is required of new developments in the New Southwark Plan, with a 70/30 split between social and intermediate housing. Social housing is prioritised because that is the most acute need in the borough. The intermediate affordable housing products to be delivered would be suitable for local workers in the health sector, these include discount market rent, London Living Rent and Community Land Trust housing.
- At December's meeting cabinet will consider a report to consult on an intermediate housing waiting list which includes priority for key workers. Following consultation and review of the feedback the intermediate housing waiting list will come into effect next year.

*Recommendation 12. The Committee would therefore recommend that the CCG should monitor compliance with hospital contracts, and more effectively impose financial penalties when the requirements are not being met.*

### Southwark CCG response

- The CCG monitors and manages its hospital contracts in line with the terms and conditions set out in the NHS national standard contract. The contract includes all national standards and guidance and reporting requirements, as well as additional local deliverables.
- Monthly meetings are held with hospital providers to monitor compliance against contractual requirements, including a monthly Contract Management Board and Clinical Quality Review Group as prescribed in the national standard contract. The CCG oversees the agreement of remedial action plans where contractual variance or non-compliance is an issue, noting that where these plans relate to a material issue or NHS priority they are also signed off with NHS regulatory bodies. Performance penalties related to the NHS constitutional targets are now managed through the nationally assessed and applied Sustainability and Transformation Fund process.

*Recommendation 13. The Committee recommends that the CCG develop a clearer understanding of GP practice workforce and needs through the creation and use of a system-wide data set. This would enable them to better understand the issues, and create solutions to support struggling practices.*

### Southwark CCG response

- The CCG has been working with the GP practices, GP federations and Local Care Networks through the Community Education Provider Network to understand the workforce across the borough and feed into plans to model the work force into geographical teams in order to support multi-professional learning and development as well as respond to commissioning on a population basis.
- Practices submit workforce data as part their annual contract. Practices, as independent providers, are responsible for providing sufficient staffing levels to provide general practice core contractual services. The federations have identified 'good practice'



workforce requirements for practices to use for delivering core general practice services at practice level.

- The access tool that the CCG is developing with practices will support practices to provide services for their specific population including the workforce.
- To understand workforce needs both GP federations have commissioned a tool to monitor mandatory training requirements which enables a standardised approach to ensuring all staff members complete the training in a timely manner.
- The Federation lead nurses have been working with all GP practices to understand the practice nurse workforce and training needs. The CCG Director of Quality and Chief Nurse is overseeing this work and outcomes from this work are used to inform the commissioning of training and development which is funded through Health Education England allocations.
- In response to the NHS England General Practice Nursing (GPN) 10 Point Plan a London Delivery Board has been established and representation on this Board for the SEL STP is via NHS Southwark CCG Director of Quality and Chief Nurse. This board is focussed on the delivery of the 10 Point Plan which centres around developing capacity and ensuring a competency in this GPN workforce

Recommendation 14. *The Committee recommends that the CCG facilitates cross-learning across general practices throughout Southwark.*

#### Southwark CCG response

- The CCG funds and runs a programme of regular protected learning events. These events are focused on key areas of clinical learning and non-clinical training for administration staff.
- The CCG has worked with both GP federations over the summer to establish a Clinical Effectiveness Approach (CEA) using a package of aligned quality improvement interventions and skills (including data analysis, development of clinical templates and GP facilitation), a clinically-led delivery team will support practices to improve outcomes for patients, “by making the right thing to do, the easy thing to do for busy GPs.” The CEA partnership has been successful in its application to be part of the Health Foundation’s ‘Scaling Up’ initiative.

#### **Policy implications**

35. There are no specific policy implications currently arising from the recommendations. In taking forward the recommendations, should any changes to policy arise, they will be further considered at Cabinet.

#### **Community impact statement**

36. In taking forward the recommendations, equality of opportunity and assessment of potential impacts, in line with the Equality Duty, at section 149 of the Equality Act, will be considered. The development plans for the provision of new and extended primary care services and facilities and health improvement services such as smoking cessation, cancer screening, health checks, weight management and exercise on referral, have

ben informed by assessments into the needs of the local population, in particular to ensure that all communities, in particular the most 'at risk' communities have good access.

### Legal implications

37. There are no legal implications for the report.

### BACKGROUND DOCUMENTS

| Background Papers   | Held At           | Contact          |
|---|-------------------|------------------|
| Southwark GP Practices - Quality of Provision and Local Support Arrangements - a report from the Healthy Communities Scrutiny   | Constitution Team | Julie Timbrell   |
| <b>Link:</b><br><a href="http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=5751&amp;Ver=4">http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=5751&amp;Ver=4</a>   |                   |                  |
| Annual Public Health Reports  | Public Health     | Chris Williamson |
| <b>Link: (copy and paste into browser)</b><br><a href="http://moderngov.southwark.gov.uk/documents/s66351/Appendix%201%20Annual%20Report%20of%20the%20Director%20of%20Public%20Health%202016.pdf">http://moderngov.southwark.gov.uk/documents/s66351/Appendix%201%20Annual%20Report%20of%20the%20Director%20of%20Public%20Health%202016.pdf</a> |                   |                  |
| Joint Strategic Needs Assessments   | Public Health     | Chris Williamson |
| <a href="http://www.southwark.gov.uk/jsna">www.southwark.gov.uk/jsna</a>  |                   |                  |

### AUDIT TRAIL

|   |  |                          |
|---|--|--------------------------|
| <b>Cabinet Member</b>   | Councillor Maisie Anderson, Public Health and Social Regeneration  |                          |
| <b>Lead Officer</b>   | Professor Kevin Fenton, Director of Health and Wellbeing   |                          |
| <b>Report Authors</b>   | Jin Lim, Taavi Tillman, Kirsten Watters – Public Health<br>Andy Ruck, Planning Policy<br>Kieron Swann, Southwark CCG |                          |
| <b>Version</b>  | Final  |                          |
| <b>Dated</b>  | 1 December 2017  |                          |
| <b>Key decision</b>   | No   |                          |
| <b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b> |  |                          |
| <b>Officer title</b>  | <b>Comments sought</b>   | <b>Comments included</b> |
| Director of Law and Democracy   | No   | No                       |
| Director of Planning  | Yes  | Yes                      |
| <b>Cabinet Member</b>   | Yes  | Yes                      |
| <b>Date final report sent to Constitutional Team</b>                    | 1 December 2017  |                          |

|                                    |                                |  |                                 |
|------------------------------------|--------------------------------|--|---------------------------------|
| <b>Item No.</b><br>10.             | <b>Classification:</b><br>Open | <b>Date:</b><br>12 December 2017   | <b>Meeting Name:</b><br>Cabinet |
| <b>Report title:</b>               |                                | Decisions from call-in: The Outcome of the Consultation Exercise on Changes to Day Centre Provision at Queens Road and Riverside and the Development of a Disability Hub |                                 |
| <b>Ward(s) or groups affected:</b> |                                | All wards  |                                 |
| <b>From:</b>                       |                                | Overview and Scrutiny Committee  |                                 |

## RECOMMENDATIONS

1. That the cabinet reviews council policy on how buildings are declared surplus or their use is changed, highlights that revised policy with officers at the earliest opportunity, and confirm whether existing policy was followed in this case.
2. That the cabinet refreshes policy on responding to information requests and highlight to all officers to ensure compliance with freedom of information and environmental information requests.
3. That the cabinet ensures that all families and service users have clear information about how to make a complaint if unhappy with their initial assessment.
4. That the cabinet should be mindful of and follow Department for Communities and Local Government best practice on consultation, and in that work be sensitive to the needs of vulnerable and disabled people.
5. That the cabinet responds to these recommendations within 8 weeks.

## BACKGROUND INFORMATION

6. Overview and scrutiny committee considered this call-in decision at their 15 November meeting. The committee heard from the cabinet member and strategic director, and from representatives of the parents and carers association for Queens Road and Riverside day centres.
7. Having scrutinised the decision and noting the cabinet member's commitment to produce a report setting out the lessons that have been learned from this consultation process, the committee decided to NOT refer the decision back to the cabinet, and to make the recommendations set out above.

**BACKGROUND DOCUMENTS**

| <b>Background Papers</b>  | <b>Held At</b>                       | <b>Contact</b>                  |
|---|--------------------------------------|---------------------------------|
| Overview & Scrutiny Committee agendas and minutes 15 November 2017. Item 5: Call-in request   | 160 Tooley Street,<br>London SE1 2QH | Paula Thornton<br>020 7525 4395 |
| <b>Link:</b><br><a href="http://moderngov.southwark.gov.uk/ielistDocuments.aspx?CId=308&amp;MId=5794&amp;Ver=4">http://moderngov.southwark.gov.uk/ielistDocuments.aspx?CId=308&amp;MId=5794&amp;Ver=4</a> |                                      |                                 |

**APPENDICES**

| <b>No.</b> | <b>Title</b> |
|------------|--------------|
| None       |              |

**AUDIT TRAIL**

|   |  |                          |
|---|--|--------------------------|
| <b>Lead Officer</b>   | Shelley Burke, Head of Overview and Scrutiny Committee |                          |
| <b>Report Author</b>  | Shelley Burke, Head of Overview and Scrutiny Committee |                          |
| <b>Version</b>  | Final  |                          |
| <b>Dated</b>  | 30 November 2017                                       |                          |
| <b>Key Decision?</b>  | No   |                          |
| <b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b> |  |                          |
| <b>Officer Title</b>  | <b>Comments Sought</b>                                 | <b>Comments Included</b> |
| Director of Law and Democracy   | No   | No                       |
| Strategic Director of Finance and Governance                            | No   | No                       |
| <b>Cabinet Member</b>   | No   | No                       |
| <b>Date final report sent to Constitutional Team</b>                    | 30 November 2017                                       |                          |

|                                    |                                |  |                                 |
|------------------------------------|--------------------------------|--|---------------------------------|
| <b>Item No.</b><br>11.             | <b>Classification:</b><br>Open | <b>Date:</b><br>12 December 2017                                   | <b>Meeting Name:</b><br>Cabinet |
| <b>Report title:</b>               |                                | Southwark Skills Strategy  |                                 |
| <b>Ward(s) or groups affected:</b> |                                | All wards  |                                 |
| <b>Cabinet Member:</b>             |                                | Councillor Johnson Situ, Business, Culture and Social Regeneration |                                 |

## **FOREWORD – COUNCILLOR JOHNSON SITU, CABINET MEMBER FOR BUSINESS, CULTURE AND SOCIAL REGENERATION**

Southwark is a fantastic borough, driving growth at the heart of London. There are a huge range of job opportunities here, across a large number of different sectors. Giving all of our residents the chance to learn, gain new skills and reach their potential is at the centre of our plan for a fairer future. I am really proud when I hear about the achievements of people who live and work in Southwark, some who face tough challenges along the way. Their determination is an inspiration.

We’re investing heavily in skills and employability. We’re supporting residents who need a bit more help to enable them to get over barriers that hold them back from work. Since May 2014, we have supported over 5,000 residents into work, an extraordinary achievement and so with it, helped change over 5,000 lives.

And we’re tackling low pay too. We campaign hard to encourage more Southwark employers to pay the London Living Wage, and many, like the council, do. By supporting people to gain higher level skills, we can help even more residents move into better paid, more secure work.

Nevertheless, in the future, demand for higher level skills will increase and technological advances will change the labour market in the coming years. It’s vital that we are a borough that is equipped for the future where residents and businesses have access to good quality training provision that allows them to take advantage of the opportunities available locally.

Southwark faces many of the same skills challenges – and opportunities – as the rest of London. We’re already facing an unprecedented productivity crisis nationally and the UK’s exit from the European Union adds to the importance of improving skills locally. We’ve shown what local innovative solutions can achieve through initiatives like the Southwark Construction Skills Centre. Over 2,600 local people have now benefitted from the skills training available at the Centre. Through delivery of this Skills Strategy we’ll explore other solutions to sector specific skills challenges.

We also know our schools are among the best in the country and that we have above average Key Stage 4 results when compared to the rest of London, but many employers still say some young people are unprepared for the world of work. That’s why we want to work together, with our schools, colleges, training providers and employers, to make sure we give the future generation the best possible start in life.

We believe that every resident, regardless of their age or stage of learning, should have access to information and support that helps them get quickly into work, and good work at that. Local business should have access to a skilled local labour force. By working in partnership with employers, providers, schools and others, we can continue to make sure we get the best possible skills funding and investment to the right place, spent in a way that delivers most value.

I know this strategy is ambitious and challenging to deliver at a time of significant change and unprecedented uncertainty. Following this strategy will be a delivery plan that puts resilience, ambition and employability at the heart of what we're doing to support a strong and inclusive local economy. It will mean residents and business being better equipped to deal with today's competitive jobs market and the challenges yet to come. Ultimately, it's about investing in our residents as our greatest asset and so securing a fairer future for all generations across Southwark.

So our ambition is that, with the right skills and support, and access to opportunities created through regeneration, combined with a strong Southwark economy, everyone will have the chance to realise their potential

## RECOMMENDATIONS

That the cabinet

1. Approves the proposed Southwark Skills Strategy (Appendix 1).
2. Instructs officers to develop a detailed delivery plan in collaboration with local partners who will be involved in strategy implementation. The delivery plan will be presented to Cabinet in spring 2018.

## BACKGROUND INFORMATION

3. In March 2017 cabinet noted the recommendations of the Government's 2016 Area Based Review of Skills and endorsed the recommendation to develop a local skills strategy. This was to be developed working alongside a range of partners including further and higher education providers, businesses including the council's Business Forum and schools, with a view to supporting the delivery of a high quality FE and skills offer in the borough.
4. The vision of the Southwark Skills Strategy aligned to the Council Plan and the council's Economic Wellbeing Strategy, is that *"by 2022 Southwark will have a high quality skills offer that is accessible and responsive to learner and employer needs. The offer will support all learners to build resilience and develop valuable skills for a strong local economy now and in the future."*
5. To achieve the vision, three priority aims are proposed:
  - Residents have the opportunity to gain the type and level of skills they need to access local opportunities and progress in the labour market.
  - Employers invest in their workforce and have access to training provision that responds to their needs and allows them to recruit locally.

- Employers and providers work collaboratively to develop a local skills offer that is responsive to the needs of the local economy.
6. The strategy is also a local response to the findings of the Area Based Review of Skills which focused more on the financial stability of the further education sector rather than wider concerns around quality. These concerns have been voiced through a variety of sources and the consensus is that the existing skills system fails to provide adequately for the demands of the labour market, which has a negative impact on productivity. This issue has been brought into sharper focus in the context of the UK exiting the European Union.
  7. The strategy has been developed around four key themes; learners, employers, providers and funding, and sets out the ambitions for a quality skills offer in Southwark. It puts resilience, ambition and employability at the heart of our plans to support a strong local economy so residents and businesses are best equipped to deal with today's competitive jobs market and future challenges.
  8. The development of the strategy is integral to the broader sub-regional work that is underway to improve the quality of the FE and skills offer in London and ensure local leadership influences how the Adult Education Budget (AEB) is prioritised when this is devolved to London from 2019/2020. It is aligned to the emerging Mayoral priorities and the delivery of the London Skills Strategy and the proposed Central London Forward (CLF) Skills Strategy.

#### KEY ISSUES FOR CONSIDERATION

9. The strategy addresses key challenges and needs that have been identified and assessed from a variety of sources and evidence bases. It has been developed to harness local assets and to deliver an improved skills offer for learners and employers. Set in the context of a dynamic provider market and changing policy landscape, it recognises the structural and financial challenges in the skills system and aims to provide a framework to deliver local solutions through greater collaboration.
10. Four main themes have been identified in the new skills strategy. This is to recognise the multifaceted structure of the skills system of those operating within it and importantly of those affected. The four themes are:
  - **Learners** – Southwark learners who learn in a number of different settings; schools, colleges, universities, at work, and at home. They learn to build knowledge, to develop specific skills, gain a sense of achievement and self worth.
  - **Employers** – The micro, small and medium and large employers in the borough provide opportunities for people to develop work place skills and gain employment opportunities. Their engagement in the skills system enables helps to ensure training is relevant to their training needs now and in the future.
  - **Providers** – There are many skills providers in the local area. Schools, University Training Colleges (UTCs), Further Education Colleges, Sixth Forms, Adult Education, apprenticeship providers, universities as well as employment support providers are all part of the skills infrastructure, and have been the subject of much policy and funding changes over the years.

- **Funding** – Local influence over government funding available to support the skills system such as the Adult Education Budget as well as the Apprenticeship Levy.
11. Southwark schools perform well. GCSE performance is consistently above the London average and the numbers of young people ‘not in education employment or training’ (NEET) continues to fall. Yet there are young people who, for a variety of reasons, get left behind. This might be during transitions from school or FE, or those that end up starting college courses that are not really suitable for them and those that have gained a higher level qualification but have no work experience and struggle to enter the labour market.
  12. Sadly, good quality Information, Advice and Guidance (IAG) is not readily available to all who need it to help them make informed choices about their futures and gain access to the wide range of opportunities and tools available.
  13. Those who are qualified at low to mid skill levels, approximately 37% of the working age population in Southwark in employment, are more likely to be stuck in low paid jobs that do not pay the London Living Wage. With the demand for higher level skills increasing, those with lower level skills are at a higher risk of unemployment and further underemployment in the future.
  14. Technological advancement and automation has risks of reducing the number of jobs available but there are also many new opportunities that require skills that have always been valued and will continue to be of value: decision making, problem solving, evaluation, interpersonal and customer service skills.
  15. Maximising the positive impact of development in the borough, the council is committed to ensuring that the places where people live create new life opportunities, promote wellbeing and reduce inequalities. This leads to people having better lives, in stronger communities, and achieve their potential. It is vital that all residents are able to equip themselves for the future and have the life and work place skills and qualifications they need to access jobs and live fulfilling, independent lives.
  16. Through the delivery of the strategy we have the opportunity to build on local innovation like the Southwark Construction Skills Centre and the Passmore Centre using the assets we have available locally; providers, employers, developers and influence to maximise local economic impact.
  17. Southwark businesses are predominantly micro or small business. They also need good information, guidance and support to provide more work place training and the opportunity to develop their leadership and management skills to take on staff and increase their productivity.
  18. The provider landscape in Southwark is dynamic and of variable quality. Constant change in policy and funding arrangements are a challenge for all providers and the introduction of the new Technical Levels whilst welcome will present further challenges, not least the need to provide work placements.
  19. Vocational learning is still not considered on par with academic learning. Southwark has made excellent progress in developing more good quality apprentice opportunities in the borough though more needs to be done to promote these and other vocational learning options through schools. A priority



must also be to encourage and support employers to provide work place skills development opportunities for all.

20. Southwark is uniquely placed to make most of its position in central London and influence sub-regional and London leadership to help shape Adult Education Budget spend and further skills funding devolution. At a local level our emphasis is on a greater focus on the delivery of outcomes rather than outputs.
21. In advance of a detailed delivery plan gaining buy-in and ownership across local partners, the council has already set in motion a number of actions that aid the delivery of the strategy ambitions, which include but are not limited to:
  - Commissioning of the Southwark Construction Skills Centre (SCSC) at Elephant and Castle in partnership with Lendlease, which supports Southwark residents with the skills needed to enter and build a career in construction. The SCSC also is developing opportunities for partnerships across sectors with schools and in further and higher education.
  - Southwark Council and London South Bank University (LSBU) are working in partnership to create the Institute of Professional and Technical Education (IPTE). The Passmore Centre, due to open in September 2018, will provide a gateway for learners into higher professional and technical education, with the opportunity for at least 1,000 Southwark residents to have started a high quality apprenticeship by 2023.
  - Establishing the Southwark Business Forum to grow relationships with major local employers and more effectively work with private sector partners on issues affecting business in the borough.
  - Creating quality apprenticeships through the Southwark Apprenticeship Standard, setting the standard for quality apprenticeships in Southwark, addressing secure employment, payment of the London Living Wage, quality training provision, and mentoring and support. Providing direct support for local businesses, linking business support to apprenticeship creation at all skill levels and lobbying for the use of the apprenticeship levy to support small businesses. Promoting these opportunities to residents through media campaigns and provision of pre-apprenticeship support.
  - Building on our employment programmes such as Southwark Works, and supporting over 5,000 people into jobs since May 2014.

### **Making it happen – developing the delivery plan**

22. Each section of the Skills Strategy contains ambitions and aims that lay the foundations for developing a local skills offer that is inclusive and responsive to need.
23. Following approval of the strategy, officers will work collaboratively across all council services and with our providers, employers and partners to develop a delivery plan. This will include short, medium and longer term goals. It is proposed that a delivery group be established to oversee the development of the delivery plan, involving Business Forum members, school representatives, further and higher education providers and other council departments.

24. The strategy sets out a high level of ambition, requiring local partners, including the council, to tackle complex and multi faceted issues; taking immediate actions where we can; and creating the basis for longer term changes. In developing the delivery plan, there will need to be flexibility so our local skills offer is able to respond and adapt to new challenges and take advantage of resources and opportunities that become available.
25. The delivery plan will be presented to cabinet in spring 2018, with updates and the opportunity for further review provided as part of the council's normal performance monitoring process.

### **Policy implications**

26. The proposed strategy is in line with the Council Plan and Economic Wellbeing Strategy. The aims and ambitions of the skills strategy are aligned to current council plan ambitions and Fairer Future Promises as set out below:
27. Strong Local Economy
  - Invest in our relationships with businesses through the Southwark Business Forum
  - Support our Business Improvement Districts
  - Encourage our partners to sign up to the diversity standard, our shared commitment to a fairer and more inclusive borough
  - Guarantee education, employment or training for every school leaver
  - Support a high quality further education and skills offer in the borough
  - Make sure young people are ready for work
  - Make sure local residents benefit from new jobs and apprenticeships
  - Support 5,000 local people into jobs
  - Create 2,000 new apprenticeships.
28. Best Start in Life
  - Ensure that 70 per cent of students at every secondary get at least five good GCSEs<sup>1</sup>
  - Work with and support parents to secure the best possible outcomes in life, for them, their children, and their family.
29. Fit for the Future
  - Develop the culture, skills, processes and management capability to support a productive, motivated and high performing workforce
  - Become a leading digital borough, transforming how we serve and enhancing the lives of people in our community so that no one is left behind
  - Deliver modern, reliable, secure, cost effective technology that supports the digital strategy and enables service transformation across the council.
30. The emerging key aims of the Skills Strategy for London, a draft of which is currently out for consultation and is due to be published in May 2018, are as follows:

---

<sup>1</sup> The measure of academic success has changed since the council plan was set in 2016. Outcomes at Key stage 4 are now measured against attainment and progress across 8 subjects

- Empowering Londoners to access the skills to participate in society and progress in education and in work; promoting diversity and enabling social mobility
  - Meeting the needs of London's economy and employers now and in the future
  - A strategic city-wide technical skills and adult education offer
31. In their inaugural meeting on 10 October, the Central London Forward Employment and Skills Board discussed and agreed three key priorities for the CLF Skills Strategy to be as follows:
- Focus on an outcomes-based approach, in particular to focus on employment as a core outcome for funding skills support, using monitoring to inform commissioning decisions, and drive IAG for careers services. A proposed high level target for the outcomes based approach should be to: bridge the employment rate gap between CLF residents with low or no skills and the London average.
  - CLF's key sectors should be prioritised in the Skills Strategy, such as tourism, construction, hospitality, and creative and digital. The Strategy should develop how CLF boroughs can work with these employers on creating career and progression pathways for those who do not have Level 4 qualifications. The sectors to target efforts should be growth areas and those at risk from any Brexit-related shift in visa policy.
  - Closing the apprenticeships participation gap. Closing the Apprenticeship Levy gap between Central London and the London average, and generally to increase the number of apprenticeships and those available at higher level.
32. Southwark's Skills Strategy is aligned to London and sub-regional aims and priorities noted above. It emphasises the need for good work and the ability to progress in the labour market addressing skills shortages and meeting the needs of the economy now and in the future. It supports the Mayor's aims to boost the technical and adult education offer and the sub regional priority for the skills system to focus on employment outcomes.
33. Mirroring sub-regional ambitions the Southwark strategy aims to address skills shortages in specific sectors by building on the Southwark Construction Skills Centre model. It aims to ensure that any unspent Apprenticeship Levy funding is directed to where it is most needed and used to create apprenticeships in micro and small businesses locally.

### **Community impact statement**

34. Set out below is an overview of the assessment of impacts on the community, this includes the equality analysis carried out in October and November 2017 on the strategy. Specific measures and actions to address inequalities and assessment of the impact on protected characteristics in line with the Equality Duty will be developed as part of the delivery plan as relevant. The analysis will therefore be ongoing.
35. The Skills Strategy will impact on the whole community in all wards including the

borough's business community. A core aim of the strategy is to identify what actions the council and partners can take to create a local skills offer that responds to the needs of the local economy.

36. While the numbers of young people claiming JSA and those 'not in education employment or training' continues to fall, 18-24 year olds are still more likely to struggle to find work than older, more experienced workers, and some, including children leaving care, often need additional support. The strategy sets out to ensure better co-ordination of the many different efforts to help young people in Southwark make informed choices about their future, are well supported during key transitions, have the opportunities to build work place skills and can enter the world of work.
37. The council and partners will raise the profile of older people in the labour market, ensure local provision is responsive to employer needs and older people are able to access training in and out of work. For today's workforce, lifelong learning and skills development is crucial to maintaining earnings in a rapidly changing labour market.
38. There is a gender pay gap in Southwark, with women earning less than men on average. A higher proportion of the female working age population in Southwark have no qualifications, and a higher proportion of males are qualified at higher level. The strategy commits to promoting the London Living Wage and ensuring training is available at flexible times thus widening access to local opportunities. Through greater exposure to a wider range of career opportunities from a young age and the development of work place skills the strategy also aims to encourage more females to enter sectors where they are currently under-represented. Examples of such sectors are Science, Technology, Engineering, Maths (STEM) and construction.
39. The skills attainment rate for people from some ethnic minorities is lower than that of the overall population in Southwark. A lower proportion of black / African / Caribbean / British are qualified to level 4 compared to other white ('other' and British) and Asian ethnic groups. Those of white ethnicity have the highest proportion with no qualifications compared to other ethnic groups. The strategy focuses on inclusive learning and progression for all.
40. Older people in Southwark have lower level qualifications. 62% of 25-34 year olds are qualified to level 4, whereas 34% of 50-64 year olds are qualified to level 4. This reflects changes in policy and the increase in the number of people going to university over the last 20 years. The strategy aims to ensure that older people in and out of the labour market have the opportunity to gain higher level qualifications and job specific training as well as adult and community learning opportunities.
41. Those with disabilities are more marginalised in the labour market and though young people with Special Educational Needs and Disabilities (SEND) are generally well supported to gain qualifications to the age of 25 there remains a gap in support for them to gain work experience and enter paid employment.
42. A significantly higher proportion of Southwark residents with disabilities, whose day-to-day activities are limited a lot, have no qualifications (and a significantly lower proportion have level 4 and above qualifications) compared to those whose day-to-day activities are not limited. The same can be said for those

whose day-to-day activities are limited a little, though not to the same extent.

43. The strategy aims to support and encourage smaller businesses to utilise tools and resources available to enable them to offer more opportunities for people with disabilities. The strategy also proposes continuation of dedicated employment support services including through Southwark Works.
44. Those with higher level qualifications in Southwark are more likely to be economically active. A quarter of those with no qualifications are economically inactive in Southwark. The demand for higher level skills will increase with fewer roles available at mid-skill levels. The strategy sets out our ambition to help people to progress in learning and the labour market to be better off in work.
45. The strategy encourages employers to offer good quality work, supporting the Mayor's Good Work Standard. It also supports the adoption of the London Living Wage, as set by the Living Wage Foundation as a principal way to counter the threat of poverty.
46. As the strategy is implemented, project monitoring arrangements will continue to follow the council's equalities monitoring guidance to ensure it captures the information about impact on intended target groups and protected characteristics.

### **Resource Implications**

#### **Financial and budget issues**

47. No additional funding assumptions beyond those already set out in agreed budgets have been made in designing the refreshed strategy. The strategy sets out core ambitions and our anticipated delivery in achieving those ambitions, including with partners. Any new funding requirements, if they arise, will be assessed and reviewed as part of the council's normal budget process.

#### **Staffing issues**

48. Officer time to effect the recommendations will be contained within existing resources.

#### **Consultation**

49. A range of external and internal stakeholders have been consulted during the process of developing the skills strategy. Formal consultation has taken place at two key stages. Firstly initial scoping session in July 2017, to develop the four themes and present the challenges and opportunities in the skills system. This then informed further research and consultation with stakeholders. A further stakeholder session was held in October 2017 to consolidate thinking following the consultation period and further finalise the strategy.
50. External consultation with partners included: Department of Work and Pensions, Southwark Business Forum, Better Bankside Business Improvement District (BID), Blue Bermondsey BID, Southbank BID, Team London Bridge BID, We Are Waterloo BID, Southwark Chamber of Commerce & Industry, Federation of Small Businesses, London South Bank University, schools, adult education providers and further education Colleges, Southwark Association of the School

Governors, Central London Forward and delivery partners on our Southwark Works Framework. Partnership and key stakeholders engagement will continue as the strategy is implemented and reviewed.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Strategic Director of Finance and Governance (FC17/071)**

51. This report requests cabinet to agree the proposed Southwark Skills Strategy for 2018-2022 (appendix 1). Full details are contained within the main body of the report.
52. The strategic director of finance and governance notes that there are no immediate financial implications arising from this report.
53. Staffing and any other costs connected with this report to be contained within existing departmental revenue budgets.

### **Director of Law and Democracy**

54. This report seeks the cabinet's approval to agree the proposed Southwark Skills Strategy set out in this report for the period 2018-2022. The decision to agree the Strategy is one that can be taken by the Cabinet collectively.
55. The report sets out at paragraph 5 the main aims of the Strategy. These aims have been compiled in response to the findings of the Government's 2016 Area Based Review of Skills. The aims are also consistent with the council's Fairer Futures Promises, in particular Promise 8, the council will guarantee education, employment or training for every school leaver, support 5,000 more local people into jobs and create 2,000 new apprenticeships.
56. The cabinet's attention is drawn to the Public Sector Equality Duty (PSED) under the Equality Act 2010, and when making decisions to have regard to the need to have regard to the need to eliminate discrimination, harassment, victimisation or other prohibited conduct, and to advance equality of opportunity and foster good relations between persons who share a relevant protected characteristic and those who do not share it. The relevant characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion, religion or belief, sex and sexual orientation. The duty also applies to marriage and civil partnership but only in relation to the elimination of discrimination. Cabinet is specifically referred to the community impact statement at paragraphs 34 - 46 and consultation requirements at paragraphs 49 - 50, setting out the consideration that has been given to equalities issues and the extensive consultation undertaken in order to inform the development and detail of the Strategy.

**BACKGROUND DOCUMENTS**

| <b>Background Papers</b>  | <b>Held At</b>  | <b>Contact</b>                 |
|---|---|--------------------------------|
| Equalities Impact Assessment:<br>Southwark Skills Strategy  | Local Economy Team<br>160 Tooley Street<br>London SE1 2QH | Elaine Gunn<br>020 7525 5479   |
| <b>Link:</b><br><a href="http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=5753&amp;Ver=4">http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=5753&amp;Ver=4</a> |   |                                |
| Economic Wellbeing Strategy 2012-2020   | Local Economy Team<br>160 Tooley Street<br>London SE1 2QH | Danny Edwards<br>020 7525 5105 |
| <b>Link:</b><br><a href="http://www.2.southwark.gov.uk/info/347/economic_wellbeing">http://www.2.southwark.gov.uk/info/347/economic_wellbeing</a>   |   |                                |
| Council Plan  | Local Economy Team<br>160 Tooley Street<br>London SE1 2QH | Danny Edwards<br>020 7525 5105 |
| <b>Link:</b><br><a href="http://www.2.southwark.gov.uk/info/200293/a_fairer_future/3156/council_plan">http://www.2.southwark.gov.uk/info/200293/a_fairer_future/3156/council_plan</a>                     |   |                                |

**APPENDICES**

| <b>No.</b> | <b>Title</b>                        |
|------------|-------------------------------------|
| Appendix 1 | Southwark Skills Strategy 2018-2022 |

**AUDIT TRAIL**

|   |  |                        |
|---|--|------------------------|
| <b>Cabinet Member</b>   | Councillor Johnson Situ, Business, Culture and Social Regeneration |                        |
| <b>Lead Officer</b>   | Eleanor Kelly, Chief Executive                                     |                        |
| <b>Report Author</b>  | Elaine Gunn, Principal Strategy Officer, Local Economy Team        |                        |
| <b>Version</b>  | Final  |                        |
| <b>Dated</b>  | 30 November 2017   |                        |
| <b>Key Decision?</b>  | Yes  |                        |
| <b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b> |  |                        |
|   | <b>Officer Title</b>   | <b>Comments Sought</b> |
|   | Director of Law and Democracy                                      | Yes                    |
|   | Strategic Director of Finance and Governance                       | Yes                    |
|   | <b>Cabinet Member</b>  | Yes                    |
|   | <b>Date final report sent to Constitutional Team</b>               | 30 November 2017       |

## APPENDIX 1

### Southwark Skills Strategy, 2018-2022

#### Vision

Our vision is that by 2022 Southwark will have a high quality, local skills offer that is accessible and responsive to learner and employer needs. This offer will support all learners to build resilience and develop valuable workplace skills for a strong local economy now and in the future.

#### Aims and objectives

- Residents have the opportunity to gain the type and level of skills they need to access local opportunities and progress in the labour market
- Employers invest in their workforce and have access to training provision that responds to their needs and allows them to recruit locally
- Employers and providers work collaboratively to develop a local skills offer that is responsive to the needs of the local economy.

#### Ambitions summary

##### Learners

- Learners have access to information on the wide range of learning opportunities available to them
- Learners enjoy a comprehensive range of good quality learning opportunities on their doorstep
- Young people leave education equipped with the skills and knowledge they need to enter the world of work
- Vulnerable learners have the additional support they require to help them develop workplace skills
- Learners of all ages, including those in work, are able to develop their skills to progress into better jobs and increase their earnings.

##### Employers

- Employers are enabled to take a leading role in shaping a local skills offer that meets the needs of their workforce
- The current and future skills needs of employers of all sizes are understood and met locally
- Local employers invest in their workforce to increase productivity and pay
- Employers provide more opportunities for employment and work based learning, including apprenticeships and quality work experience
- Employers offer more opportunities to people with complex needs
- Employers are supported to respond positively to workforce challenges that arise from Brexit.



## Providers

- Southwark has a high quality skills offer that is attractive to learners and employers
- Employers and providers work collaboratively to provide innovative demand led skills solutions
- A greater range and quality of vocational learning, including apprenticeships is available and its value recognised
- Good quality careers advice is provided to all who need it across the borough.

## Funding

- Skills funding is aligned to local needs
- Successfully devolved skills budgets that work for London and Southwark
- New partnerships harness local assets and resources to generate innovative skills funding models
- That employment outcomes are embedded in the planning and delivery of skills provision.

## Introduction

The word 'skills' is generally used to describe the abilities acquired through education and other experiences. Over the years and policy changes the use of the word has evolved from the more technical know-how to do something well to including 'soft skills'; the capabilities, behaviours, and attitudes people have rather than "skills" in the more traditional sense.

These 'soft skills' are those which allow people to be effective members of a flexible, adaptable and competitive workforce. The pace of change now means that we all need to be ready to develop and learn new skills throughout our lives, whether at school, college, university, in the workplace or at home. In the context of this strategy we are referring to the skills acquired in life to take full advantage of the opportunities available now and in the future.

As a central London borough, Southwark is job rich and offers a wide range of opportunities to learn and earn. Jobs are available across a range of sectors and skills levels. It is essential that Southwark has a skills offer that allows all of our residents to access these opportunities.

Southwark has a large working age population, which over the last 10 years has experienced a proportional increase in higher level qualification attainment and a fall in the proportion of adults with no qualifications. This is in line with London and the wider UK. It is a borough predominantly made up of micro and small and medium sized enterprises and one which has seen considerable regeneration through large and small scale development.

Maximising the impact of development in the borough, now and in the future, the council is committed to ensuring that the places where people live create new life opportunities, promote wellbeing and reduce inequalities. This leads to people having better lives, in stronger communities, and achieve their potential. It is also about harnessing change to reduce inequalities and make a borough where people are healthy and resilient, feel connected, and there are opportunities for all. It is vital that

all residents are able to equip themselves for the future and have the life and work place skills and qualifications they need to access jobs and live fulfilling, independent lives.

This strategy will help make Southwark the place of the choice for local residents to be able to improve their skill levels, fulfil their aspirations and access better paid employment. The council continues to invest in the skills and employability of Southwark residents, particularly where extra help is needed to overcome barriers to work. These barriers are often the result of several factors, for example as a result of housing or health issues.

Southwark is subject to the same skills challenges faced by London, not least of which are the potential consequences of the UK leaving the European Union. Sectors such as construction, health and social care, technology and hospitality have a substantial EU-born workforce. Population growth in the capital is set to continue with a corresponding increase in the demand for higher level skills. The capital and the borough are at risk of further skills gaps in key sectors, lower employment rates and higher rates of in-work poverty. Without a more coordinated and labour market focused local skills offer, many of our residents may struggle to access and secure the jobs that are available and will be available in the years to come.

We believe that every resident, regardless of their age or stage of their learning, should have access to information and support that is embedded in and attuned to the local labour market. Every business should have access to a skilled local labour force. By working in partnership with employers, providers, developers, schools and sub-regional agencies such as the GLA, we can build on the success of local initiatives and continue to make the case for devolved skills funding and governance.

This strategy sets out our ambitions for a quality skills offer in Southwark. It puts resilience, ambition and employability at the heart of our plans to support a strong local economy so that residents and businesses are best equipped to deal with today's competitive jobs market and future challenges.

## 1. *Learners*

**We want Southwark to be a place where residents of all ages have access to a high quality local offer to learn, improve their skill levels and earn a good living. We want residents to have access to good quality and impartial information, advice and support so they can make informed choices about their careers and personal development.**

People learn in a number of different settings; schools, colleges, universities, at work, and at home; they learn to build knowledge, to develop specific skills, gain a sense of achievement and self worth. Southwark has a wealth of opportunities to learn and this strategy is about making sure the offer to learners is of high quality and enables them to get where they want to be and realise their aspirations.

Southwark's young people are doing really well at school. GCSE performance is consistently above the London average and the numbers of young people 'not in education employment or training' (NEET) continues to fall. But too many young people are still emerging from education at a disadvantage when starting their careers. There are often many reasons for this; missed education, limited access to good quality advice, or good educational attainment but limited or no work experience. Some learners pursue learning routes that are not suited to their needs or those of the labour market, meaning some young people are leaving education too early or do not have the skills required by employers.

We will work with Southwark schools to ensure positive outcomes are achieved for pupils. We will encourage exposure at the earliest opportunity to work-related learning, so that Southwark pupils are aware of, and want to become part of, the rich employment opportunities on their doorstep. We will encourage schools to use tools of good career guidance to help support young people to develop soft skills; critical thinking, problem solving and decision making so they are equipped to make important decisions about their futures.

In addition to working with Southwark schools, we will also work with colleges, training providers and employers to help improve learners' navigation of 'progression' options and pathways. We will support providers to deliver the best possible advice and guidance, delivered in clear and accessible formats for all learners, using technology to support this where possible. We will also promote the value of achieving a good foundation level education for all age groups, providing clear routes to secure functional skills, IT, maths and English. We will encourage education and training providers to better promote local employment opportunities to young people. We will make the most of opportunities developed through evolving statutory frameworks and through the introduction of the new Technical Levels and apprenticeships, strengthening young Southwark learners' access to workplace skills development.

We will work with schools and colleges to reinforce best practice principles, so that learners on the margins of education, employment and training are at less risk of disengaging or becoming "lost" in the system. Progression routes will be accessible to the most vulnerable learners, including those in care, young parents, those supported by our Youth Offending and Southwark Inclusive Learning services (SILs). We will ensure Supported Learning programmes are well promoted and linked to longer term employment outcomes. We will continue to promote the use of Supported Internships for those with learning difficulties and disabilities and other opportunities to gain work place skills like traineeships. Where entry level employment is secured we will

continue to provide support to individuals to progress in work, start an apprenticeship or change career.

For those Southwark residents already in jobs, a high proportion are qualified to level 4 (first year Foundation Degree level), which is greater than the proportion in London overall. However, the employment rate for those with lower level and mid skills is much lower suggesting that adults in London with no and particularly low- and mid-level skills face significantly greater disadvantage than those in the rest of London and the UK. This is likely because there are comparatively fewer mid-skill jobs in London and far more adults with high level qualifications. This leads to a much more competitive labour market for those with mid to low level qualifications. It also means that people in low and mid skilled level roles are more likely to earn less money and may struggle to make ends meet.

There is a large disparity between rates of pay amongst the highest and lowest earners in the borough. In 2015 a quarter of those in work in Southwark were earning below the London Living Wage. As an employer, Southwark Council pays the London Living Wage and encourages others to do the same. Levels of low pay are more prominent among part-time employees, half of whom earn below the London Living Wage; women are disproportionately represented in this group of lower level earners. Closing the gender pay gap sits at the heart of our approach to supporting a more productive and fairer local economy.

We will support a local offer that allows learners of all ages to improve their skills to prepare for and find work, change careers and progress in work. We will work with employers to increase the range of opportunities for our residents to develop their skills and gain work experience. Simultaneously, our providers will be supported to create opportunities for work-based training.

Locally, we have already done much to ensure opportunities are made available for people to gain new skills and progress to higher level learning. Southwark Council and London South Bank University (LSBU) are working in partnership to create the Institute of Professional and Technical Education (IPTE). The Passmore Centre, due to open in September 2018, will provide a gateway for learners into higher professional and technical education, with the opportunity for at least 1,000 Southwark residents to have started a high quality apprenticeship by 2023. This will help equip more Southwark residents with the skills required to take up the jobs of the future. Similarly, the Southwark Construction Skills Centre supports residents to access roles in the construction sector.

We recognise people need extra help to overcome barriers to work and training. Just as housing or health issues are barriers to work they can also hinder people committing to completing a training course, apprenticeship or NVQ. We will help people engage in training and progress to higher level attainment to help them progress into better paid, more rewarding jobs. We will support those with learning difficulties, disabilities, mental health conditions and vulnerable young people to access to more supported learning, work placement opportunities and progression routes into paid employment opportunities.

We will continue to support residents to access and navigate the range of support available through our education and employment support services. We will continue to work with employers to adapt recruitment and workplace practices to provide supportive working environments. We will build on the value of our local Adult Education offer in enabling progression to advanced and higher level training. We will

ensure this is embedded in our employment support offer, providing work place skills, as well as Lifelong, community and family learning opportunities.

**For learners our ambitions are:**

- Learners have access to information on the wide range of learning opportunities available to them
- Learners enjoy a comprehensive range of good quality learning opportunities on their doorstep
- All young people leave education equipped with the skills and knowledge they need to enter the world of work
- Vulnerable learners have the additional support they require to help them develop workplace skills
- Learners of all ages, including those in work, are able to develop their skills to progress into better jobs and increase their earnings.

**Working collaboratively, our aims are to:**

- Improve access to information and digital support for learners and help young people make informed decisions about their futures
- Work closely with our schools, FE, HE partners and other providers to develop and promote a quality local skills offer
- Support the development of work place skills in education and training through quality work placements and links with employers
- Support vulnerable learners by addressing barriers to learning, improving access to supported learning programmes and other opportunities to gain work place skills
- Work with employers and providers to increase the range of opportunities, including Technical Levels and related vocational qualifications, and entry points for residents to develop their skills and gain work based training.

## 2. *Employers*

**We want Southwark to be a place where employers have access to a highly skilled local workforce. We want employers to invest in and help shape local skills provision and have the confidence that it is meeting their recruitment needs. We want our employers to offer good quality skills and employment opportunities for residents.**

Southwark's business base is made up of over 15,000 businesses employing over a quarter of a million people. Most businesses in Southwark are micro or small enterprises, employing less than 50 people. The largest business sectors in Southwark are professional, scientific and technical, information and communication, business administration and support services, and the arts, entertainment and recreation (ONS, 2017).

Over half of skills shortages vacancies reported by employers in central London are in high skilled occupations. The GLA forecasts that to 2036 the proportion of jobs requiring higher level qualifications will continue to rise whilst the demand for some lower skills occupations will decrease. Sectors with expected significant growth in employment in the next 20 years are professional, real estate, scientific and technical services, administration and support services, accommodation and food services, and information and communication.

In [The Future of Skills: Employment in 2030](#) report, Nesta looked at how employment is likely to change in the future and the implications for skills. They found that around one-tenth of the workforce are in occupations that are likely to grow as a percentage of the workforce while around one-fifth are in occupations that will likely shrink. Education, healthcare, and wider public sector occupations are likely to grow while some low-skilled jobs, in fields like construction and agriculture, are less likely to suffer poor labour market outcomes than has been assumed in the past. The skills that are likely to be in greater demand in the future include interpersonal skills, cognitive skills, decision making, systems analysis, evaluation and problem solving skills.

The future workforce will need broad-based knowledge in addition to the more specialised skills that are needed for specific occupations. In helping residents to succeed in the labour market and prepare for a more 'automated' future, we need to consider which common skills, knowledge and abilities are needed for the majority of jobs that will be available, as well as those 'softer skills' that provide workers with the flexibility to adapt to or specialise in a range of roles.

The GLA forecasts that growth in central London is expected to account for three in every four new jobs in the capital by 2036. As a central London borough, Southwark is at the heart of this employment growth and technological change. For residents living and growing up in Southwark to be able to take full advantage of the opportunities that will be created they need access to training provision which is shaped by the needs of the local economy and informed by evidence on the demand for skills.

It is well documented that the UK is behind comparable countries in terms of productivity growth. Britain's exit from the EU adds further pressure with EU migrant workers in London heavily represented in skilled trades and elementary occupations, with local employers in sectors such as hospitality, health and social care and construction reporting they will be affected. Brexit, although challenging, offers an

additional incentive for employers to engage with the local skills agenda and invest in improving skills in the local labour market.

We will continue to work with businesses in emerging and innovative sectors such as technology and science, media and communications, and creative industries. We will work in partnership with the Southwark Business Forum, Business Improvement Districts (BIDs) and our developer partners to adopt a more strategic approach to business engagement, employability and recruitment issues. We will encourage more employers to sign up to the Mayor's Good Work Standard and the London Living Wage and promote pay equality. We will explore ways, using more creative and cost effective means, to engage smaller employers too.

We believe a fair day's work deserves a fair day's pay. There are now over 100 accredited Southwark employers paying the London Living Wage, and this strategy is about encouraging even more. Where businesses identify and invest in the workforce, the skills needed for growth and better pay, productivity growth tends to follow. Many smaller businesses do not have HR or training departments and are often reliant on the business owner to cover many functions. Leadership and management training can help to boost productivity as well as staff management.

Lloyds Bank UK Business Digital Index 2017 reports that 41% of small businesses and 52% of charities do not have basic digital skills, a lower proportion than in 2016. Many believe that an online presence is not relevant for their organisation. Most digitally skilled businesses are more than twice as likely to increase their turnover compared to those who are not yet using technology. We will help to remove barriers to improving digital presence and support providers to recognise the skills needs of smaller businesses to help them access training that is accessible, flexible and affordable.

We will encourage employers to support in-work progression, and adapt their recruitment practices; particularly for those with learning difficulties and disabilities and vulnerable learners, provide work experience opportunities, traineeships, supported internships and apprenticeships. We will work together with providers and employers to ensure the mechanisms are in place to support employers to offer these opportunities and recruit locally.

Apprenticeships offer a great way for learners of all ages to gain work experience and the skills employers need, yet London has a low take up rate for apprenticeships compared to other parts of the country. Locally, some employers report that apprenticeships are poorly reputed and can be poorly administered and confusing, especially since the introduction of the Apprenticeship Levy. Education providers can lack an understanding of the needs of employers when placing apprentices, putting unrealistic demand on employers and failing to communicate with them and recognise the value they can bring to the classroom based element of the apprenticeship.

In Southwark we have prioritised the provision of quality apprenticeships, and made considerable progress in improving the local apprenticeship offer by introducing the Southwark Apprenticeship Standard. This sets the standard for quality apprenticeships in Southwark; payment of the London Living Wage, quality training provision, and effective mentoring and support. We have also enhanced the local support offer available to SMEs in the borough, producing a toolkit to guide local employers interested in taking on an apprentice as well as offering personal advice and support.

**For employers our ambitions are:**

- Employers are enabled to take a leading role in shaping a local skills offer that meets the needs of their workforce
- The current and future skills needs of employers of all sizes are understood and met locally
- Local employers invest in their workforce to increase productivity and pay
- Employers provide more opportunities for employment and work based learning, including apprenticeships and quality work experience
- Employers offer more opportunities to people with complex needs
- Employers are supported to respond positively to workforce challenges that arise from Brexit.

**Working collaboratively, our aims are to:**

- Improve dialogue and collaboration between providers and employers in the delivery of local skills provision
- Continue to promote the benefits of investing in the workforce through the Good Work Standard and Apprenticeship Standard, encouraging employers to invest in workforce training for increased productivity
- Support local businesses to remove barriers to employment for those with complex needs, supporting them to access available resources and improve their recruitment practices
- Help to ensure the local workforce is equipped with the skills to respond to changes in employer demands including those that arise from Brexit.



### 3. *Providers*

**We want to make Southwark a destination for learning with high quality skills and training provision for all ages which addresses local economic needs and the future demand for skills. We want residents to develop the skills they need to secure well paid jobs and that are shaped by employer demand. We want local providers to be partners in the development and regeneration of the borough and for our skills offer to be a local asset.**

The provider landscape in Southwark and London is diverse and dynamic. Schools, University Training Colleges (UTCs), Further Education Colleges, Sixth Forms, Adult Education, apprenticeship providers, universities as well as employment support providers are all part of the skills infrastructure, and have been the subject of much policy and funding changes over several years.

Education and skill providers also play a wider role in the community, as employers, business incubators, landowners and regeneration partners. We recognise their value and will work with them in partnership with others to retain the positive local economic impacts they bring to the borough.

The government's recent Area Based Review of Skills highlighted the need to stabilise the Further Education sector in light of a reduction in the adult skills budget. It did, however, fail to effectively focus on wider issues in the sector; specifically that skills provision is poorly tailored to needs of the labour market and has been ineffective at increasing productivity levels.

Southwark's provider landscape varies in terms of quality. Southwark schools are among the best in the country and have above average Key Stage 4 results across central London. Yet there remains an overall quality gap in skills provision locally with too few learners completing training courses and apprenticeships and progressing to high skills attainments. Following their school years, many learners make the choice to leave the borough to study elsewhere, an issue we want to address by making Southwark a destination for learning.

This quality gap is not unique to Southwark, with just 71% of London colleges rated *Good* or *Outstanding* by Ofsted compared to 94% of London schools. More concerning, almost a third of London's 39 colleges are rated as 'requiring improvement' or 'inadequate'. We will continue to work with the Mayor of London to improve the quality of provision across London building on existing good adult education provision in the borough, and so delivering better outcomes for local learners.

Southwark's Adult Education offer includes ESOL, Basic Skills, employability skills as well family and community learning opportunities. It is subject to the same pressures as other providers reliant on the Education and Skills Funding Agency (ESFA) funding to subsidise courses in order to ensure those who cannot afford to pay for training can still access support. For providers to secure ESFA grants they need to achieve their target number of learners each year; the demand for this and other provision is shaped by the restrictions of the funding which is focused on provision for those on active or unemployment benefits and those studying for a level 2 qualification for the first time.

Without good information and advice too many learners fall through gaps and end up not in education employment or training (NEET), unemployed or in low paid, low skilled jobs, which means employment support and Further Education providers are left to

plug gaps. We need to ensure that compulsory education provides all learners with a good foundation level of education (IT, maths and English) and work place skills needed to progress in learning and secure employment. This means that each stage of learning for our residents is treated as a stepping stone to the next, enabling them to achieve their aspirations. This requires clear progression routes and effective Information, Advice and Guidance (IAG) for all options at every step in the learner journey.

With around 240 careers providers operating in London, the career IAG market is patchy and overly complicated. Schools provide IAG but quality varies. National Careers Service focuses more on adults who are unemployed leaving a gap for the many who are underemployed and may need support to gain higher level skills in order to succeed in the labour market in the longer term.

Southwark has demonstrated that it is possible to address skills shortages and create local solutions. Responding to long standing construction skills deficits in the borough, Southwark Council, in partnership with Lendlease, set up the Southwark Construction Skills Centre (SCSC). The centre, based at Elephant & Castle, provides construction skills training courses and apprenticeships in direct response to sector need. This is an example of a flexible and commercial model of providing skills to accommodate local needs and there is potential to create similar approaches in other key sectors across the borough.

We will deliver more local solutions like this and consider how we can work with other employers and providers to secure relevant local training provision and embed workforce skills in training from an earlier stage. We will focus on influencing provision where we have levers to do so. This will include taking advantages of new qualifications, such as Technical Levels, and other changes to qualifications over the medium term. We will also define the standards and outcomes we want to achieve through more effective local governance and accountability.

**For providers our ambitions are:**

- Southwark has a high quality skills offer that is attractive to learners and employers
- Employers and providers work collaboratively to provide innovative demand led skills solutions
- A greater range and quality of vocational learning, including apprenticeships is available and its value recognised
- Good quality careers advice is provided to all who need it across the borough.

**Working collaboratively, our aims are to:**

- Facilitate innovative collaboration between employers and providers to enhance the local skills offer
- Continue to build on the Southwark Apprenticeship Standard and promote vocational learning routes to schools and employers
- Work with schools to ensure young people have access to good quality information, advice and guidance
- Work with colleges, Adult Education, HE, employers and employment providers to ensure that learners and those in work have access to advice about career choices and in-work progression options.

#### 4. *Funding*

**We will put Southwark learners first in getting the best possible funding deal for learning and skills. We want Southwark to be a powerhouse for innovation, using local resources to test out new ways of delivery and build on recent successes like the Southwark Construction Skills Centre. We want to use the funding available to better equip Southwark residents with the tools they need to access today's jobs and those of the future. We will use every tool at our disposal, working with employers, providers, schools, national and regional funding bodies and learners to align resources and put Southwark in pole position to be the borough of choice for high quality learning and skills.**

We want Southwark to play an integral part in the broader sub-regional work that is underway to improve the quality of the FE and skills offer in London. We want to ensure local leadership influences how the Adult Education Budget (AEB)<sup>2</sup> is prioritised when this is devolved to London from 2019/2020. The AEB aims to engage adults and provide the skills and learning they need to equip them for work, an apprenticeship or other learning. We will seek to align to Mayoral priorities and the delivery of the London Skills Strategy and proposed Central London Forward (CLF) Skills Strategy to plan the delivery of the AEB, supporting providers to be more focused on responding to local priorities and outcomes.

Whilst the devolution of the AEB is welcomed, the funding available has greatly reduced over the last few years and schools funding is also under sustained pressure with the introduction of the new national funding formula from 2018/2019. London Councils report that around 70 per cent of a school's budget is spent on staff salaries and funding reductions are likely to result in fewer teachers and support staff posts in schools, as well as increased class sizes. This will make it harder to recruit and retain top quality teachers, and if not addressed will result in poorer outcome for our younger learners.

The government's Apprenticeship Levy aims to increase the number of apprenticeships through increased employer investment. Although the rationale for this is welcomed, the implementation of it may encourage business to draw funds for management courses for existing employers, rather than offering more opportunities for those with lower level skills the chance to start their careers. Further, it is not focused on supporting smaller employers, a key driver of growth locally and across London.

The Apprenticeship Levy is likely to raise proportionately more money in central London where wages are higher and there is a greater concentration of large employers. It is our view that any unspent Levy funds should be held locally to be used to support the creation of apprenticeships in businesses which may not otherwise engage with the programme. This will ensure contributions made by local employers are invested where they are generated.

We will continue to work with employers, through the delivery of the Southwark Apprenticeship Standard in the borough, to maximise the use of the Levy in Southwark. We will ensure employers recruiting apprentices are connected to our pre-apprenticeship and employment support projects to help residents make the most of local opportunities.

---

<sup>2</sup> The AEB combines all Education and Skills Funding Agency participation and support funding. It includes Adult Skills (including 19-24 traineeships), former Community Learning and Discretionary Learning Support. It does not include European Social Fund (ESF), Advanced Learner Loans or Apprenticeships

In line with the Mayor's ambition, we will work in partnership to promote the take up of Advanced Learner Loans locally to enable more residents aged 19+ to access higher level learning. We will work with providers locally to promote and increase take up of the loan.

National schemes and existing funding sources alone will not address the skills needs of the borough. We will continue to focus on what can be achieved through partnership working, such as through our Better Placed Partnership with Lambeth and Lewisham, and continue to make the case for further funding devolution and local accountability.

There are many other existing partnerships in Southwark and great examples of where developers, employers, education and skills providers are working together to improve outcomes for residents and local businesses; the Southwark Construction Skills Centre, the new Institute of Professional and Technical Education (Passmore Centre), the Apprenticeship Standard, are all examples of effective partnership working in practice.

The ongoing regeneration in the borough also provides us with opportunities to further harness social value to deliver this strategy, and there is potential to do a lot more. Sites like Canada Water and developments in Peckham and the Old Kent Road provide new opportunities for innovation and digital transformation and we will use this to deliver high quality learning and skills development.

**For funding our ambitions are:**

- Skills funding is aligned to local needs
- Successfully devolved skills budgets work for London and Southwark
- New partnerships harness local assets and resources to generate innovative skills funding models
- That employment outcomes are embedded in the planning and delivery of skills provision.

**Working collaboratively, our aims are to:**

- Use every tool at our disposal to influence the reform of skills funding so it aligns better with local needs
- Work with the Mayor and at a sub-regional level to ensure the needs of learners and employers in Southwark are included in the planning and delivery of future Adult Education Budgets
- Model best practice in the recruitment, retention and development of apprentices
- Promote access to and take up of broader funding opportunities for learners, such as Advance Learner Loans.

If you want to know about the strategy or how to get involved then contact [elaine.gunn@southwark.gov.uk](mailto:elaine.gunn@southwark.gov.uk) for more information.

|                                    |                                |  |                                 |
|------------------------------------|--------------------------------|--|---------------------------------|
| <b>Item No.</b><br>12.             | <b>Classification:</b><br>Open | <b>Date:</b><br>12 December 2017                     | <b>Meeting Name:</b><br>Cabinet |
| <b>Report title:</b>               |                                | Aylesbury Phase 3 Rehousing Update                   |                                 |
| <b>Ward(s) or groups affected:</b> |                                | Faraday  |                                 |
| <b>Cabinet Member:</b>             |                                | Councillor Mark Williams, Regeneration and New Homes |                                 |

## **FOREWORD - COUNCILLOR MARK WILLIAMS, CABINET MEMBER FOR REGENERATION AND NEW HOMES**

Due to the ongoing repair and maintenance problems in phase 3 cabinet instructed officers earlier this year to consult with residents in that phase on their rehousing options. The consultation asked residents whether they would prefer to wait for rehousing from their blocks to wait until the new homes on phase 1 are ready, or to have the option to bring them forward to enable them to move to new and available council and other social rent homes in the local area that will be ready between now and the end of 2020. Under the latter option the residents of phase 3 would also be able to wait and move directly into the new homes when they are ready on phase 1.

Cabinet decided that rather than the council making this decision for the residents we felt it was crucial that we consult with the residents, explain the options, and listen to what they said. The findings of this consultation are summarised in this report, the overwhelming response is for the rehousing of this phase to be brought forward so that residents can choose whether to wait and move into the new homes in phase 1 or to move into the new social rent homes being delivered in the area. This report therefore recommends that cabinet activates Phase 3 for immediate rehousing, and that cabinet approves the acquisition of leasehold interests in Phase 3.

The decision to bring forward the activation of this phase puts the residents in control of their own future, they will keep the right to return and will be eligible for all of the rehousing assistance for Aylesbury residents. Should a significant number of phase 3 residents take up the option to move to new social and council rent homes in the local area then this may have an impact on how rehousing for phase 4. This is due to the new social rent homes in phase 1 being available for residents from phase 4 to move directly into. Phase 4 is considerably larger than all prior phases and further analysis and consultation with residents will be required before decisions are taken on how this phase will be redeveloped.

## **RECOMMENDATIONS**

1. That the cabinet notes the outcome of the consultation exercise carried out with residents in Phase 3 (1-56 Northchurch, Taplow, 184 and 218 East Street) of the Aylesbury Regeneration programme.
2. That the cabinet in line with the outcomes of the consultation activates Phase 3 for immediate rehousing.
3. That the cabinet approves the acquisition of leasehold interests on land known

as Phase 3 of the Aylesbury Estate Regeneration Programme via negotiation and delegates the approval of compensation packages to the Director of Regeneration.

## **BACKGROUND INFORMATION**

4. On 9 May 2017, cabinet considered the report Aylesbury Regeneration Programme Delivery, and agreed the recommendations to consult affected residents about bringing forward the start of rehousing programme for Phase 3 and to bring the decision on whether to start the rehousing of this phase to a future cabinet meeting.
5. This report sets out that under the current programme, it was anticipated that Phase 3 (Taplow, Northchurch 1-56, 184 East Street and 218 East Street) would be activated for rehousing in late 2018 allowing vacant possession by 2021.
6. The report in May 2017 noted that without considerable investment, it was considered that the properties in Phase 3 would not have more than a five year life.
7. Alongside this the development programme for sites in East Walworth, Newington and Faraday (excluding Aylesbury) there are 725 new homes scheduled for completion between 2017 and 2021 of which 262 are social rented. The new homes at Stead Street and Harvard Gardens have proved very popular with Aylesbury residents in earlier phases. By activating Phase 3 tenants sooner, the opportunity for priority moves to the new social rented homes completing in the area would be increased.
8. On this basis it was proposed that secure tenants and leaseholders in Phase 3 were consulted about the option of moving the activation date forward for rehousing. This report sets out the outcome of that consultation and seeks approval for the immediate activation of secure tenants and leaseholders in Phase 3 of the Aylesbury regeneration programme.
9. Phase 3 is currently comprised of 218 tenant households and 24 leasehold households (13 resident and 11 non-resident). Cabinet have previously agreed that early buybacks of leaseholders including Phase 3 could take place and to date 17 leaseholders in this phase have already sold back to the council (and are not included in the figures above).
10. The council served Initial Demolition Notices on all of the blocks in Phase 3 in January 2013 and there are currently no live Right-to-Buy applicants in the Phase. The council stopped letting properties on Phase 3 to secure tenants in February 2016.

## **KEY ISSUES FOR CONSIDERATION**

11. Following the cabinet report in May 2017, council officers conducted a procurement exercise to select an external survey organisation to carry out a consultation exercise with secure tenants and resident leaseholders residing in Taplow, 1-56 Northchurch, 184 East and 218 East Street.
12. Infocorp, the firm who are commissioned to run the council's resident survey scored most highly and were therefore selected to undertake the work.

### Survey methodology

13. All residents were contacted by a letter delivered on 13 October 2017 that the council was about to commence a survey of residents in Phase 3 to ascertain their views on whether they would like to be activated in advance of their current scheduled date of activation in August 2018.
14. The letter explained that early activation would mean:
  - Residents would be able to choose to move to brand-new homes being delivered in the local area from early 2018.
  - Tenants would be able to bid for these new properties and other council properties locally through the Council's online choice-based letting system, Homesearch.
  - Residents would not have to move now, however, and could still choose to wait until new social rent homes being delivered on the Aylesbury Estate come forward from around 2020 onwards.
  - Any tenant who did chose to move would retain the option to return to new homes on the estate, should they wish to do so once all remaining tenants from the estate have been rehoused.
15. Fieldwork commenced on 16 October 2017 and lasted for two weeks, completing on 7 November 2017. Infocorp conducted the survey by sending local interviewers to knock on the door of properties to talk residents through the survey questions.
16. Interviews would only be conducted with the tenant or the leaseholder of the property and where a door was opened by anyone other than the tenant or leaseholder (or spouse), the interviewer attempted to arrange a call-back. On a second round of visits interviewers revisited all addresses where there had been no interview on the first visit, unless the address was ruled out (e.g. the tenant or leaseholder refused to take part). All addresses were visited on at least three occasions, at different times of the day and on different days of the week to maximize the response rate achieved.
17. In addition to asking residents about the option of bringing forward the Phase 3 rehousing, the survey was also designed to gather demographic profile data on the households in line for rehousing as part of Phase 3 to enable the Council to conduct further equality analysis.

### Outcome of the Survey

18. A total of 659 visits were carried out across the 242 addresses of secure tenants and leaseholders. A total of 155 interviews were carried across the 242 addresses, giving a total response rate of 64%.
19. Three properties refused to provide an interview response, whilst there was no response from 85 properties.
20. Of those respondents to the survey 98.1% of all survey participants were tenants and 1.9% were resident leaseholders. In total 70% of tenants responded to the survey, whilst 23% of resident leaseholders responded to the survey.

21. All residents were asked the following question: 'Do you think the council should consider early activation of rehousing for residents of Phase 3, if this would give those residents the option to move to new homes now being delivered within the local area?'
22. The overall response was that 84% of all those interviewed said that they agreed that the council should consider early activation of rehousing for residents in Phase 3, on the basis that this will give those residents the option to move into new homes in the local area. Only 16% of those interviewed said the council should not consider taking this step. The breakdown by block is as follows:

| <b>Block</b> | <b>Yes</b> | <b>No</b> |
|--------------|------------|-----------|
| East Street  | 100%       | 0%        |
| Northchurch  | 73%        | 27%       |
| Taplow       | 86%        | 14%       |

23. Both tenants and leaseholders were in favour of the proposals to bring forward activation of the phase, with the breakdown set out below:

| <b>Tenure</b>         | <b>Yes</b> | <b>No</b> |
|-----------------------|------------|-----------|
| Tenants               | 84%        | 16%       |
| Resident leaseholders | 67%        | 33%       |

24. In general the survey showed that householders in younger age groups are more likely to want to see early activation than older residents:

| <b>Age</b> | <b>Yes</b> | <b>No</b> |
|------------|------------|-----------|
| 18-24      | 100%       | 0%        |
| 25-34      | 85%        | 15%       |
| 35-44      | 83%        | 17%       |
| 45-54      | 88%        | 12%       |
| 55-64      | 78%        | 22%       |
| 65+        | 73%        | 27%       |

White or white British residents are somewhat less likely to want early activation than those from other ethnicities, but are still overall significantly in favour:

| <b>Ethnicity</b>      | <b>Yes</b> | <b>No</b> |
|-----------------------|------------|-----------|
| White / White British | 72%        | 27%       |
| Black / Black British | 90%        | 10%       |
| Other                 | 88%        | 12%       |

Whilst household make-up and disability had no clear impact on how residents view early activation:

| <b>Disability in Household?</b> | <b>Yes</b> | <b>No</b> |
|---------------------------------|------------|-----------|
| Yes                             | 82%        | 18%       |
| No                              | 85%        | 15%       |



| <b>Ethnicity</b>                 | <b>Yes</b> | <b>No</b> |
|----------------------------------|------------|-----------|
| Single person                    | 82%        | 18%       |
| 2 adults (no children)           | 91%        | 9%        |
| 2 adults with children           | 89%        | 11%       |
| 1 adult with children            | 79%        | 21%       |
| More than 2 adults (no children) | 73%        | 27%       |
| Other                            | 83%        | 17%       |

### **Rehousing opportunities**

25. As set out in paragraph 9 of this report there are a range of new development sites in East Walworth, Newington and Faraday (excluding Aylesbury) which are coming forward in the coming years which includes 198 new homes at social rents. A map of these properties and their location in regard to Phase 3 of the Aylesbury regeneration programme is set in Appendix 1.
26. However the activation of the phase does not mean that residents will be required to move immediately. Rather this enables residents to be able to choose to move to new homes being delivered locally at social rents should they choose to do so. But equally they will be entitled to remain in their current home until new Notting Hill Housing Trust homes are completed on the Aylesbury First Development Site and Plot 18, and the council requires vacant possession of the site to enable demolition of the buildings to progress the construction of new homes on the site.

### **Acquisition of Leasehold Interests**

27. The council holds the freehold interest on which the entire development site is situated but in order for council to proceed with the regeneration of the estate it will be necessary to acquire the leasehold interests located in Phase 3 of the regeneration.
28. The council has had some contact with leaseholders in Phase 3 through early buy-back schemes, but once the phase is active council officers will be actively engaging with leaseholders in order to secure the purchase of their interests by agreement. For resident leaseholders the activation of the phase will mean that they will be eligible to apply for rehousing assistance from the council or through opportunities through the council's development partner, Notting Hill Housing Trust.
29. If necessary a report will be presented to cabinet at a future date to seek approval to commence CPO proceedings for any outstanding leasehold interests in Phase 3 should this become necessary.

### **Void units**

30. Any properties made void through the rehousing process in Phase 3 will be used for temporary accommodation where feasible.

### **Non-residential units**

31. Phase 3 contains a range of non-residential units, which are unaffected by this report that is focussed on the activation and voluntary rehousing or secure tenants and leaseholders. These include:

- commercial unit at 1 & 2 Northchurch
- Chaplin Centre and units 3-13 Taplow which are currently leased to Hollybrook Homes and sub-leased to the Artist Studio Company
- the Old Pharmacy which Notting Hill currently use as their estate base
- unit 2 Taplow
- Aylesbury early years centre
- Taplow pharmacy
- GP surgery
- CCG Health Centre
- Council housing offices.

32. The council will however require vacant possession of these units in future years in order to deliver vacant possession of the site. In all cases the council has a strategy in place for achieving vacant possession of the units, either through the end of the current leases or where these exceed the date expected to be required for vacant possession through re-provision.

### **Policy implications**

33. The council's executive agreed the strategy for the overall redevelopment of the Aylesbury estate in September 2005, following which the Aylesbury Area Action Plan was adopted in January 2010. The rehousing of secure tenants and leaseholders from Phase 3 of the regeneration follows these policy decisions and there are therefore no new policy implications arising as a result of this report.

### **Community impact statement**

34. The Equality Act 2010 requires the council, when taking decisions, to have due regard to the need to:
- (a) Eliminate discrimination, harassment, victimisation or other prohibited conduct;
  - (b) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it;
  - (c) Foster good relations between those who share a relevant characteristic and those that do not share it.
35. The council through a process of regular review as been considering the impact on all protected groups throughout the development of the proposals for the regeneration of the Aylesbury estate. As part of the production of the Aylesbury Area Action Plan (AAP) an Equalities Impact Assessment was carried out and the formulation of the Plan had regard to that Assessment. The assessment identified some of the impacts of the development, raising, for example the issue that land market forces may have a significant impact on the regeneration. This could result in certain groups (such as families and the unemployed), as well as low-income residents, moving away from the area to cheaper locations.
36. In 2017 the council commissioned an independent organisation, Mott MacDonald to conduct an EqIA to assess the impacts of the council's CPO on the remaining residents on Site 1b/1c. Although specific to the residents on Site 1b/1c this EqIA also considers, where relevant, impacts on residents of the Aylesbury Estate as a whole, and residents across Southwark.

37. Following these reports the council has also undertaken an EqIA within the context of the information collected through the Phase 3 survey. The EqIA identifies that the council has a number of mitigating actions in place, including:
- Rehousing policies through the council and opportunities through the Council's development partner which provide a range of local re-housing opportunities that enable residents to move locally (if they chose to do so) to a new home that meets the needs of their family and financial position.
  - A dedicated team of officers who support both tenants and leaseholders through the rehousing process.
  - Support and guidance is also available to all residents on the Aylesbury through Creation Trust, who are a charitable Trust based on the Aylesbury estate and who work with all residents of the estate but have a particular focus on those that may be vulnerable or need additional support.
  - The development of new homes on the FDS, Plot 18 and elsewhere in locality will provide high quality homes to modern standards for tenants of the Aylesbury estate and other tenants in the borough to move to.
38. The council considers that the potential impacts of the scheme are fully addressed through the operation of its rehousing policies and provision of dedicated support and guidance available through council officers and local independent organisations that provide support and guidance to Aylesbury residents.
39. Through the consultation process the council has also sought to update its understanding of the makeup of individuals affected in order to continue to monitor any resulting impacts as the rehousing of secure tenants and leaseholders on Phase 3 progresses. The council will also seek to update and expand upon this information later in the rehousing process as it continues to discharge its public sector equality duty.

### **Resource implications**

40. It is anticipated that the rehousing of secure tenants and support to resident leaseholders in Phase 3 can be managed through existing resources within the council's regeneration and housing teams.

### **Legal implications**

41. The legal implications of this report are set out in the concurrent report of the director of law and democracy.

### **Financial implications**

42. Cabinet was updated in September 2016 on the financial impacts of revised arrangements for the First Development Site on the overall Aylesbury programme budget. The budget figures reported to cabinet in September 2016 included an allocation of £2.7m for leasehold acquisitions from later phases, of which £1.6m was apportioned to Phase 3. Phase 3 comprises a total of 24 leasehold properties and it has been estimated that the overall cost of leasehold interests in this phase is £7.2m. This ultimately represents an additional budget requirement of £5.6m however as the pace of existing acquisitions has slowed, this is not expected to result in an immediate additional requirement. Further work is underway to re-

profile the overall programme and will be reported back to cabinet through the capital monitor.

### **Consultation**

43. There has been extensive consultation on the overall regeneration programme for the Aylesbury estate, which has been set out in detail within previous reports. This includes extensive consultation on the formation of the AAAP, non-statutory and statutory consultation undertaken on the outline masterplan and detailed FDS planning applications, and non-statutory and statutory consultation undertaken on the reserved matters planning application for Plot 18.
44. As set out in paragraphs 11-23 of the report, the council has undertaken extensive consultation with affected residents. 64% of the residents affected responded to the survey, whilst a further 1% asked not to take part. This is a high response rate for a survey of this type, and resulted in an overwhelming majority of residents supporting the opportunity for early rehousing for Taplow, 1-56 Northchurch, 184 and 218 East Street.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Director of Law and Democracy**

#### The Equality Act 2010

45. Paragraphs 34 -39 of the report refer to The Equality Act 2010 and the steps taken and being taken to ensure the council's continued equalities impact assessments and reviews to ensure the mitigation in place enables the council to meet its public sector equality duty. The relevant prescribed protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. The duty also applies to marriage and civil partnership, but only in relation to the need to eliminate discrimination, harassment, victimisation or other prohibited conduct. The report refers to the recent collection of equalities data through the Infocorp survey and the assessment of this data will enable identification of any potential disproportionate effects on groups sharing protected characteristics so that these can be considered, and where appropriate any further mitigation beyond those already in place which might be required can then be put in place in order for the Council to meet its public sector equality duty. Members should have due regard to this when considering the recommendations.

### Consultation

46. The report recommends the activation of Phase 3 for immediate re-housing and acquisition of leasehold interests, as opposed to the current early buybacks and intended activation in late 2018, and sets out the consultation carried out and the responses received. The law requires that consultation must be undertaken when proposals are at a formative stage and include sufficient information and time for interested parties to respond. This must be satisfied for fair and proper consultation with the outcomes being taken into account in the final decision making process.
47. There are also specific provisions for consultation with secure tenants under Section 105 of the Housing Act 1985 which requires the council to consult with

those of its secure tenants likely to be substantially affected as a whole or as a group by a matter of housing management which, in the council's opinion as landlord, represents a new programme of maintenance, improvement or demolition, or a change in the policy or practice of the council.

48. Phase 3 contains 218 properties occupied by council secure tenants and the activation immediate rehousing will affect all the secure tenants as a group in Phase 3. There are also 24 remaining leaseholders.
49. Cabinet members should satisfy themselves as to the consultation carried out and take into account the outcome of the consultation when making decisions on the recommendations.

#### Re-housing

50. The council is required to provide suitable alternative accommodation for secure tenants under the Housing Act 1985 and aims to re-house tenants by agreement. Where agreement is not possible the council has the ability, following service of the requisite statutory notice of seeking possession, to bring a claim for possession against its secure tenants under Ground 10 of Schedule 2 of the Housing Act 1985. The court will not make an order for possession of a dwelling-house let under a secure tenancy on Ground 10 unless it is satisfied that suitable alternative accommodation will be available for the tenant when the order takes effect. The Land Compensation Act 1973 contains provisions for payment of compensation.
51. In the case of other occupiers (leaseholders and any private tenants) the council is not generally required to re-house those occupying who are displaced by redevelopment. However, in certain circumstances a limited duty may arise under Section 39 of the Land Compensation Act 1973 which requires local housing authorities to re-house residential occupiers who are displaced from residential accommodation in circumstances that include where land is acquired by a local authority possessing compulsory purchase powers. The duty to re-house only applies where suitable alternative accommodation on reasonable terms is not otherwise available and council will need to look at the circumstances of all displaced persons.

#### Acquisition of freehold interests

52. Section 120(1) of the Local Government Act 1972 ("the 1972 Act") authorises the council to acquire any land by agreement for the purposes of (a) any of its statutory functions or (b) for the benefit, improvement or development of its area. By virtue of Section 120(2) of the 1972 Act the council may require by agreement any land for any purpose for which it is authorised by the 1972 Act or any other Act to acquire land, notwithstanding that the land is not immediately required for the purpose; and, until it is required for that purpose, it may be used for the purpose of any of the council's functions. Section 227 of the Town and Country Planning Act 1990 also enables the council to acquire land by agreement if it will facilitate the carrying out of development, redevelopment or improvement on or in relation to the land if this is likely to contribute to the achievement of the promotion or improvement of the economic, social or environmental well-being of its area, or if it is required for a purpose which is necessary to achieve in the interests of the proper planning of an area in which the land is situated. Therefore, there are adequate powers available to the council to acquire the

freehold and long leasehold properties by agreement.

#### Payments under the Land Compensation Act 1973

53. As a result of the activation of this phase, persons with a qualifying legal interest who are displaced from their properties, such as tenants, leaseholders or freeholders, will be eligible for mandatory statutory compensation payments and may also receive discretionary statutory compensation payments and removal expenses. These will be made in line with the applicable legislation and council policy at the appropriate time.

#### Demolition Notices

54. The Initial notices served and dated 14 January 2013 expire on 30 December 2019 and further notices will be required before the expiry of the current notice in due course so as to continue to prevent Right to Buy from secure tenants under the Right to Buy discount regime under powers conferred by Schedule 5 of the Housing Act 1985.

#### **Strategic Director of Finance and Governance (H&M17/080)**

55. This report proposes to bring forward the activation of Phase 3 of the Aylesbury Regeneration programme so as to provide tenants with an increased opportunity for priority moves to new social rented homes becoming available in the local area. This follows a consultation exercise with residents in the Phase 3 area, in which the majority of those responding expressed support for the proposal.
56. It is anticipated that the costs associated with rehousing secure tenants will be managed within existing budgets. Activation of Phase 3 will also result in the council buying back leasehold properties from residents. At this stage, the cost and timing of the buy backs is not certain, but the overall cost is estimated to be in the region of £7.2m. In September 2016, Cabinet approved an allocation of £2.7m for the early acquisition of leasehold properties in Phases 3 and 4, of which £1.2m was for Phase 3. Thus the additional approval sought for the remainder of Phase 3 is £5.6m.
57. There is an estimated resource shortfall for the Housing Investment programme for 2017/18 and also over the life of the whole programme. There is also likely to be further demand on the capital programme as a consequence of local or national demands for resources following the Grenfell fire. It is, therefore, important that the cost of these works is carefully monitored and that accurate forecasting is in place.

**BACKGROUND DOCUMENTS**

| <b>Background Papers</b>  | <b>Held At</b>  | <b>Contact</b>              |
|---|---|-----------------------------|
| Aylesbury Regeneration Programme Delivery   | Regeneration South<br>Chief Executives<br>160 Tooley Street<br>London SE1 2QH | Neil Kirby<br>020 7525 1878 |
| <b>Link:</b><br><a href="http://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?ID=6156">http://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?ID=6156</a> |   |                             |

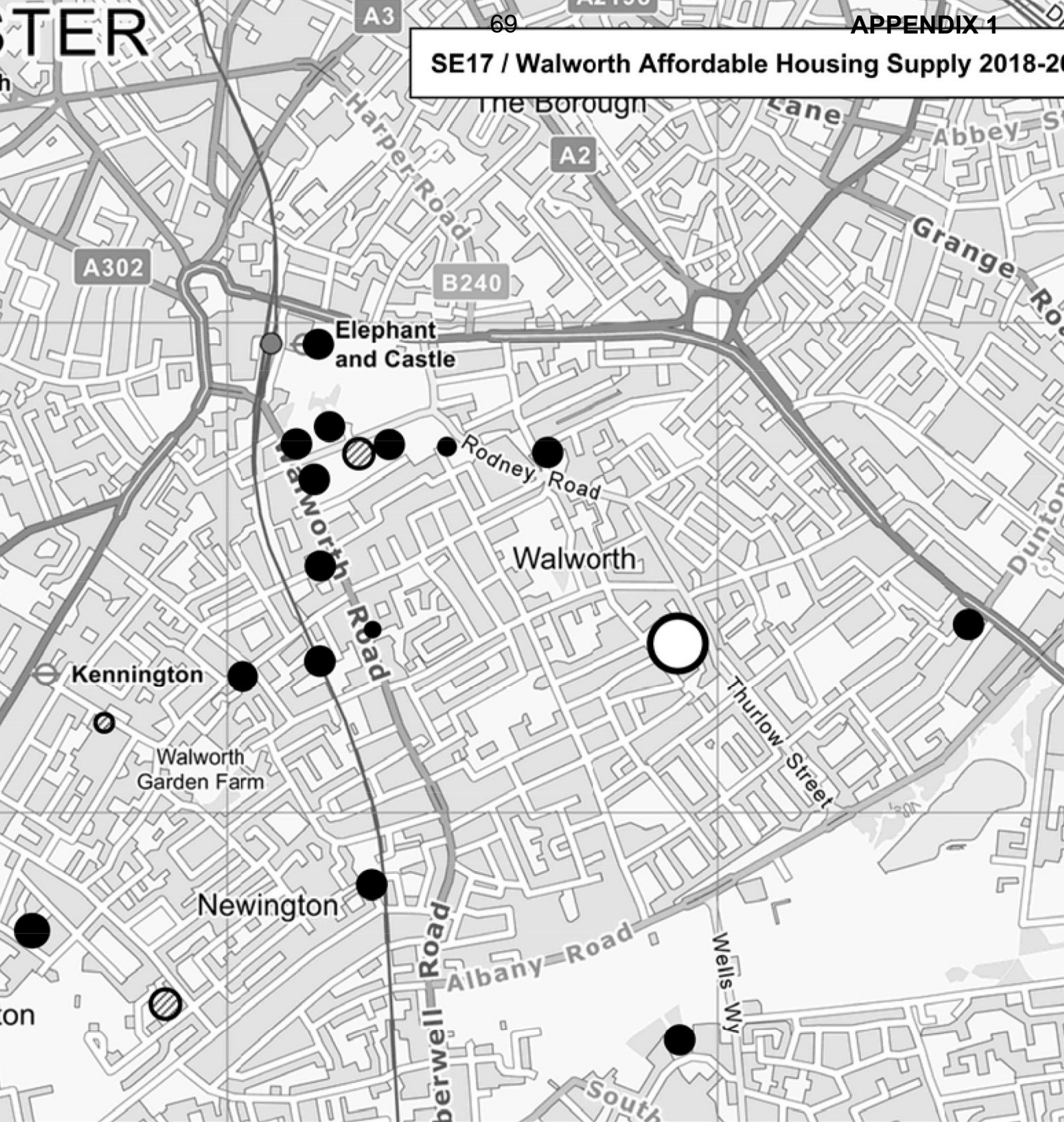
**APPENDICES**






| <b>No.</b> | <b>Title</b>                                      |
|------------|---|
| Appendix 1 | SE17 Walworth Affordable Housing Supply 2018-2021 |

**AUDIT TRAIL**

|   |  |                          |
|---|--|--------------------------|
| <b>Cabinet Member</b>   | Councillor Mark Williams, Regeneration and New Homes |                          |
| <b>Lead Officer</b>   | Neil Kirby, Head of Regeneration South               |                          |
| <b>Report Author</b>  | Simon Chambers, Regeneration Manager                 |                          |
| <b>Version</b>  | Final  |                          |
| <b>Dated</b>  | 30 November 2017                                     |                          |
| <b>Key Decision?</b>  | Yes  |                          |
| <b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b> |  |                          |
| <b>Officer Title</b>  | <b>Comments Sought</b>                               | <b>Comments Included</b> |
| Director of Law and Democracy   | Yes  | Yes                      |
| Strategic Director of Finance and Governance                            | Yes  | Yes                      |
| <b>Cabinet Member</b>   | Yes  | Yes                      |
| <b>Date final report sent to Constitutional Team</b>                    | 30 November 2017                                     |                          |

SE17 / Walworth Affordable Housing Supply 2018-20



-  Aylesbury Phase 3 location
-  New affordable homes, including Social Rent homes. Larger schemes >10 units
-  New affordable homes, including Social Rent homes. Smaller schemes <10 units
-  New affordable homes, Intermediate only. Larger schemes >10 units
-  New affordable homes, Intermediate only. Smaller schemes <10 units



|                                    |                                |  |                                 |
|------------------------------------|--------------------------------|--|---------------------------------|
| <b>Item No.</b><br>13.             | <b>Classification:</b><br>Open | <b>Date:</b><br>12 December 2017                         | <b>Meeting Name:</b><br>Cabinet |
| <b>Report title:</b>               |                                | Old Kent Road Area Action Plan: Further Preferred Option |                                 |
| <b>Ward(s) or groups affected:</b> |                                | All  |                                 |
| <b>Cabinet Member:</b>             |                                | Councillor Mark Williams, Regeneration and New Homes     |                                 |

**FOREWORD – COUNCILLOR MARK WILLIAMS, CABINET MEMBER FOR REGENERATION AND NEW HOMES**

We must be ambitious if we are to meet the need for more housing in London whilst increasing employment and at the same time designing new neighbourhoods that deliver open space, community facilities, improvements to air quality, and a massive shift to sustainable and active travel. This plan sets out a clear vision for how this will all be delivered along the Old Kent Road. By working in partnership with our local communities, businesses, landowners, Lewisham, Transport for London, and the Mayor of London we will deliver significant benefits for our residents and for London.

This Old Kent Road Area Action Plan sets out how we will deliver 10,000 new jobs in addition to the 10,000 jobs already there, new parks, new school places, a new college, improvements to the Old Kent Road itself, and 20,000 new homes including 7,000 affordable homes all supported by the extension of the Bakerloo Line from Elephant and Castle to Lewisham. We are also seeking to bring a university to the area along with a cultural institution. We will effectively be building a new town on brownfield land in central London – this is part of central London, but will be better. Our ambition is to not only deliver these new homes and jobs but to improve the health, education and life chances of people who already live and work along the Old Kent Road underpinned by decent housing for all and well designed neighbourhoods.

Following previous versions of this plan we have carefully considered the over 1,300 consultation responses we received and have made significant changes to the previous version of this plan. We are therefore undertaking further consultation on this revised preferred option before moving to a submission version next year.

Alongside this plan we are working with our partners to continue developing the funding package for the Bakerloo Line Extension which will cost c£3.5 billion. We expect to raise £200-300 million of Community Infrastructure Levy and have recently updated the CIL rate for the Old Kent Road area. We are exploring options to fund this key project with TfL, the GLA, and Treasury. As set out in this plan the extension of the Bakerloo Line will unlock an additional 12,000 homes – over and above the 8,000 new homes that can be delivered without the extension – and will deliver all of these homes much more quickly. Without the extension we can deliver 8,000 new homes by 2037, with the extension we can deliver those 8,000 homes ten years earlier and then an additional 12,000 new homes by 2037.

The Old Kent Road is a unique opportunity in London to build desperately needed new homes and significantly increase employment. These jobs will be in manufacturing, industry, arts, warehousing and traditional employment activities along with offices, tech and other new types of businesses. This will be enabled by the design of the buildings and places which are specified in the five area masterplans. This is the only place where there is such a significant area of land to develop including large retail warehouses with large car parks. The Bakerloo

Line Extension will unlock the potential of the area to meet the many challenges our borough and London face.

## **RECOMMENDATIONS**

That cabinet:

1. Agree the Old Kent Road Area Action Plan: Further Preferred Option (Appendix A) for consultation.
2. Note the proposed changes to the adopted policies map (Appendix B), Consultation Plan (Appendix C) and Consultation Report (Appendix D).
3. Note the Integrated Impact Assessment (Appendix E) and Habitats Regulations Assessment (Appendix F).
4. Instruct officers to prepare a report for Cabinet regarding a local lettings policy for Old Kent Road.

## **BACKGROUND INFORMATION**

5. In June 2016 Cabinet resolved to consult on the draft Old Kent Road Area Action Plan (OKR AAP) which sets out an ambitious growth strategy for Old Kent Road and the surrounding area which was designated as an opportunity area by the London Plan 2015. Over the next 20 years the opportunity area will be transformed, including the provision of new underground stations as part of the Bakerloo Line Extension, 20,000 new homes, including affordable homes and 10,000 additional jobs. Extensive consultation on the plan took place between June and November 2016 and the council received over 1,000 responses.
6. Once adopted, the OKR AAP will form part of Southwark's Local Plan and be used alongside the New Southwark Plan to determine planning applications and focus investment. It will also be endorsed by the Mayor of London as an Opportunity Area Planning Framework. As a part of Southwark's Local Plan it is required to be consistent with the borough-wide New Southwark Plan and must be in general conformity with the London Plan.
7. The New Southwark Plan Submission Version was agreed by Council Assembly for consultation on 27 November 2017. These policies apply to development in the Old Kent Road. The New Southwark Plan sets out a vision, policies and site allocations. The Old Kent Road AAP sets out further detail with additional policies and a masterplan with specific land uses and place making of areas that will change along with improvements to transport and the entire AAP area.
8. One of the key drivers for change in the Old Kent Road area is the delivery of the Bakerloo Line Extension and improvements to surface transport on the Old Kent Road itself. TFL consulted on BLE station and shaft locations from Elephant and Castle to Lewisham with 4 options for stations along the Old Kent Road. The council is waiting for the outcome of the consultation which is expected around the end of the year and may include further consultation. Upon completing the strategic surface transport study, TFL is also investigating and modelling the options considered in the study, with a preferred option expected in 2018. The potential station locations and surface transport improvements are an important part of the plan and will inform the final version prior to formal examination.

9. Since the original draft and following the interim consultation in the summer (June to September 2017), the council has explored practical ways of achieving mixed use development in the Old Kent Road. This has informed a series of masterplans for the site allocations, taking into account land ownership and urban design principles to address the type, scale, design and location of development which provide more certainty to the delivery of the key principles of the plan. For example, certainty on the positioning and design of strategic parks including the Surrey Canal linear park, and the requirement to deliver high quality industrial workspace within new neighbourhoods.
10. It is also recommended that officers prepare a report for Cabinet for a local lettings policy in Old Kent Road. This would involve ensuring the local housing needs of residents are addressed in new developments in the area.

## **CONSULTATION**

11. Consultation on the draft AAP is being carried out in accordance with the requirements of the Planning and Compulsory Purchase Act 2004 (as amended). The council received over 1,000 responses to the draft AAP, as set out in the consultation report. The Further Preferred Option is intended to encompass the council's response to extensive consultation and provide the opportunity for further engagement and comment on the progress of the plan before the formal submission version. This is set out in the consultation plan.

## **KEY ISSUES FOR CONSIDERATION**

12. The draft OKR AAP is an ambitious plan for the regeneration of Old Kent Road and the surrounding area. It provides more detail to the New Southwark Plan vision and policies to manage change over the next 20 years.
13. The plan objectives are:

### **1) NEW HOMES**

- Build 20,000 new homes across the opportunity area.
- 7,000 of these new homes will be affordable.
- Provide a mix of home sizes with housing suitable for every stage of life.
- Provide a mix of home types primarily flats but including terraced houses delivered in high density, mixed use neighbourhoods.

### **2) BAKERLOO LINE EXTENSION**

- Extend the Bakerloo Line and deliver three new stations along the Old Kent Road, speeding up the delivery of homes and jobs.

### **3) EMPLOYMENT, JOBS AND BUSINESS**

- Double the number of jobs in the area from approximately 10,000 to 20,000.
- Increase the range of jobs by providing different types and sizes of employment space from laptops to forklifts including light industrial, maker spaces, warehousing and distribution, offices, workspaces, retail, leisure and entertainment facilities.
- Sustain the employment networks and ecosystems which help to make the Old Kent Road successful.

- Provide new employment space mixed with residential in innovatively designed buildings.

#### **4) TOWN CENTRE, LEISURE AND ENTERTAINMENT**

- Create a new major town centre, in a significantly more attractive and accessible environment. A variety of shops and facilities including local independent shops and large stores such as supermarkets, homeware and hardware available on the high street.
- Deliver exciting new activities in leisure, entertainment, recreation and play in the town centre for local people of all ages to get out and have fun in the day and night time.

#### **5) PARKS AND OPEN SPACE**

- Create three new parks: one at Mandela Way, one at the old Gasworks and a linear park along the route of the Surrey Canal, which will connect existing and new neighbourhoods and help deliver the Greener Belt.
- Create new neighbourhood green links and spaces between these new parks, the stations and busy places linking to established residential neighbourhoods.

#### **6) COMMUNITY AND SCHOOLS**

- Expand existing primary schools to provide up to 9 additional forms of entry, one new secondary school and two new primary schools providing high quality learning, play, sports, arts facilities, open and inclusive for the pupils and wider community.
- Promote the co-location of nurseries and older people's accommodation for intergenerational learning and health.
- Deliver a network of arts and cultural spaces which will provide a foundation for the local community, as individuals or groups, young and old, to explore and engage in continuous learning.

#### **7) CULTURE AND HERITAGE**

- Strengthen the identity of the Old Kent Road as a cultural destination, attracting new creative enterprises, a university and a major cultural attraction.
- Integrate the Old Kent Road's historic and valued character into new development, celebrating its industrial past and present.
- Protect and enhance listed and non-listed heritage assets and buildings and spaces of townscape and heritage value and find new uses for old buildings.

#### **8) HEALTH AND WELLBEING**

- Reduce air pollution to improve the health and wellbeing of our residents
- Build a new community health hub providing a focus for improving health and promoting healthy active lifestyles
- New residential development will have zero car parking. New commercial development will need to commit to the use of electric vehicles. TfL will be encouraged to have a low emission bus fleet and schools will be located away from main roads.

14. The main changes to the plan since previous consultation versions include:

- The reintroduction and new designation of Strategic Protected Industrial Land in South Bermondsey, Galleywall, Admiral Hyson and Glengall Road industrial estates, Ormside Street and the Penarth Centre. This includes a strategy for industrial intensification and key infrastructure (e.g. the IWMF and electricity substation).
- The requirement for retention or re-provision of employment floorspace across the entirety of the opportunity area including active involvement and security for existing businesses and a range of different employment types from industry to offices.
- Masterplans setting out the type, scale and location of new homes, businesses, schools, health centre, leisure facilities and parks requiring the collaboration of landowners, developers and businesses to secure the effective delivery of future development.
- Strategy for achieving a revitalised high street for the Old Kent Road and proposals for the creation of a transformation of retail and a major town centre. The council is working with TFL to transform the Old Kent Road into a modern boulevard providing a safer and greener environment for people walking and more protection for cyclists.
- Promotion of a healthier environment and transport improvements including the Bakerloo Line Extension, limitations on car parking, reduced air pollution and sustainability improvements for water, drainage and energy.
- Location, design and delivery of strategic parks at Mandela Green, the Surrey Canal, repurposing the large listed gasholder, Malt Street and Ruby Triangle.
- Significant benefits for local residents such as affordable homes, creation of local jobs, new parks and allotments, new health and leisure facilities including potential for the co-location of sports and leisure within new schools, and improved shops and town centre services.
- The delivery of 9 forms of entry through expansions to existing primary schools around the Old Kent Road area and the delivery of 2 new 2/3FE primary schools on sites at Asda and Mandela Way to be delivered later in the plan period. Options for locating a new 6-8FE secondary school (including the gasholder site and council owned land at Sandgate Street) are also identified to facilitate delivery by 2022/23. The plan also identifies the potential to establish further education in the opportunity area and attract a higher education institution.
- Potential to grow the arts and cultural industries in the opportunity area, including providing the right kind of space including affordable space and promote the Old Kent Road as a good location for larger arts/cultural organisations to create a new identity for the area.
- The delivery of a new health hub to serve the Old Kent Road, Canada Water and Bermondsey. The health hub needs to be located close to the junction of Old Kent Road at St James' Road. Potential sites include the Frencham Street depot (subject to depot relocation) and the doctor's surgery on Verney Road, both in Southwark ownership.

## **Next Steps**

15. The council will consult on the Further Preferred Option between December 2017 and 6 March 2018. The consultation report (Appendix B) sets out the scope of consultation that will be carried out along with key events and methods of engagement.
16. The council will consider all responses received to the consultation and prepare a Proposed Submission version of the plan in 2018. Representations will be invited on the proposed final plan and subsequently the AAP will be submitted to the Secretary of State for an examination-in-public (EIP) in late 2018-early 2019. The adoption of the AAP is expected in 2019.

## **Community impact statement**

17. The OKR AAP has the aim of promoting regeneration that benefits existing communities in Southwark and provides new and improved facilities for residents, businesses and accommodates much needed growth in housing and transport infrastructure. In preparing the draft OKR AAP the council has completed an integrated impact assessment (Appendix C). This assessment found that the AAP/OAPF has strong objectives for improving the quality of the environment in the opportunity area including fostering community cohesion, improving health and equal opportunities for all. Policies reflect the aim of achieving revitalised neighbourhoods with new community facilities, healthcare, education, cultural, business, leisure and arts space. The AAP provides many opportunities to replace, enhance and expand community, business and cultural functions, which will be an integral part of the place-making strategy. The implementation of the AAP will ensure high quality development is delivered across the opportunity area, encouraging sites to consider wider considerations to achieve the aspirations of the plan, including new green spaces, improved transport infrastructure, connecting routes and high quality new buildings.

## **Financial implications**

18. There are no immediate financial implications arising from the proposed consultation on the Further Preferred Option AAP. Any potential additional costs from any specific proposals emerging from the preparation and adoption of the plan or any queries thereof will be submitted as separate reports for consideration in line with the appropriate protocols.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Director of Law and Democracy**

19. As noted in paragraph 6 of this report, the OKR AAP is a local development document under the legislative framework established under the Planning and Compulsory Act 2004 ('the 2004 Act') and the regulations made under that Act, namely the Town and Country Planning (Local Planning) (England) Regulations 2012 ('the Regulations'). As part of the Local Plan for Southwark, the Old Kent Road AAP, once adopted, will be used to make planning decisions on development proposals submitted to the council.
20. The Regulations require that there must be a consultation process in the preparation of a local plan document and the council has already undertaken that process in relation to the original draft of the OKR AAP. The council has had due regard to Regulation 18(3) of the Regulations which requires the council (as local planning authority) to take account

of any representations made in the statutory consultation. Members have the opportunity to consider the consultation responses in the report at Appendix D.

21. Section 19(3) of the 2004 Act requires that, in preparing local development documents, the local planning authority must comply with their statement of community involvement (SCI) and this report confirms that there will be compliance with the twelve week consultation period referred to in the SCI, which is itself a statutory document. The Consultation Plan at Appendix B explains the steps that will be taken to consult on the Further Preferred Option of the OKR AAP which is the subject of this report.
22. As noted in paragraph 16 of this report, the OKR AAP will continue through the statutory preparation process as will be outlined in further reports to Cabinet as the stages progress.
23. This report is accompanied by an Integrated Impact Assessment (Appendix E) which incorporates various appraisals and assessments required by law including the Sustainability Appraisal, Strategic Environmental Assessment, Health Impact Assessment and Equalities Analysis and these are considered separately in the following paragraphs.
24. Section 19(5) of the 2004 Act requires a sustainability appraisal of the proposals in each development plan document such as the OKR AAP. Section 39 requires the council in their plan making function to have the objective of contributing to the achievement of sustainable development. The purpose of the Sustainability Appraisal is to promote sustainable development by assessing the extent to which the emerging OKR AAP, when judged against reasonable alternatives, will help to achieve relevant environmental, economic and social objectives.
25. Sustainability Appraisals are also required to satisfy the Environmental Assessment of Plans and Programmes Regulations 2004 which implement the requirements of the European Directive 2001/42/EC. The Directive requires a formal Strategic Environmental Assessment (SEA) of certain plans and programmes that are likely to have significant effects on the environment.
26. The council is also required by UK law to pay due regard to advancing equality, fostering good relations and eliminating discrimination for people sharing certain protected characteristics, as set out in the public sector equalities duty under section 149 of the Equality Act 2010). The council carries out Equalities Analysis (EqIA) of its plans, decisions and programmes to consider the potential impact (positive and negative) of proposals on the key 'protected characteristics' in the Equality Act 2010 and with regard to the Human Rights Act 1998.
27. Health Impact Assessment (HIA) is a combination of procedures, methods and tools by which a policy, program or project may be judged as to its potential effects on the health of a population, and the distribution of these effects within the population. National Planning Practice Guidance on 'the role of health and wellbeing in planning' states that local planning authorities should ensure that health and wellbeing, and health infrastructure are considered in local and neighbourhood plans and in planning decision making.
28. The Habitats Regulation Assessment at Appendix E is a further legal requirement following the incorporation of European legislation (Habitats Directive) into UK legislation. Regulation 102 of the Conservation and Habitats Species Regulations requires the council (as a plan-making authority ) to consider whether a land use plan such as the OKR AAP is likely to have a significant effect on a 'European site' and if so

to make an appropriate assessment of the implications for the site in view of that site's conservation objectives. However, the Habitats Regulation Assessment at Appendix E confirms that the Old Kent Road AAP on its own or in combination with other plans and projects is not likely to have any significant discernible adverse impact on European sites therefore stage 2 (appropriate assessment and ascertaining the effect on site integrity) and stage 3 (mitigation and alternative solutions) of the HRA process are not considered necessary.

29. Part 3B of the Cabinet Portfolios for 2017-18 in the Southwark Constitution provides that the Cabinet Member for Regeneration and New Homes has particular responsibility for development of the local development framework.
30. Part 3B of the Cabinet Role and Functions states that it is an executive function of the Cabinet to ensure consultation on the development of the council's policy framework.

### **Strategic Director of Finance and Governance (FC17/072)**

31. This report is requesting cabinet to approve the Old Kent Road Area Action Plan: Further Preferred Option (Appendix A) for consultation. Full details of all related recommendations are detailed in paragraphs 1-4 and the background is provided within the main body of the report.
32. The strategic director of finance and governance notes that there are no immediate financial implications arising from this report and any costs from specific proposals emerging from the adopted plan would be subject to separate report for formal approval.
33. Staffing and any other costs connected with this report to be contained within existing departmental revenue budgets.

### **Director of Public Health**

34. The Old Kent Road Area Action Plan (AAP) has an overarching policy on social regeneration to revitalise neighbourhoods and to ensure that the benefits and opportunities offered by regeneration can be accessed by all residents, particularly existing residents. Health inequalities are widening in Southwark and the AAP commits to providing targeted support for the more disadvantaged communities to address the social gradient in poor health.
35. The AAP also sets out the policies for the key wider socio economic and environmental determinants and factors affecting health such as opportunities for employment and for local business growth and new and improved housing. Active travel and opportunities for play and physical activity are priorities. The poor air quality is directly addressed as a concern. Green infrastructure is also prioritised with new parks and spaces created and improvements to existing green spaces.
36. Alongside the AAP, there is ongoing work to develop and adopt a health plan for the Old Kent Road. This is referred to in the AAP. The health plan will set out in more detail some of the local health issues such as childhood obesity and chronic health conditions such as asthma and the more detailed actions and mitigation that would be expected such as greater opportunities for healthy eating and fewer hot food takeaway outlets and addressing both internal as well as external air quality and orienting living (housing) and social (cafes and restaurants) spaces away from busy roads.
37. The ambitious vision set for the Old Kent Road has the potential to realise significant improvements in the health and wellbeing for the people living and working in the area



and in the surrounding areas. The director of health and wellbeing welcomes the many positive aspects of the AAP and will work closely with the directors of planning and regeneration to ensure that health is improved and health inequalities reduced and that improved health outcomes are integrated into the delivery and monitoring of the AAP.

## BACKGROUND DOCUMENTS

| Background Papers  | Held At   | Contact  |
|--|---|--|
| London Plan 2016   | Southwark Council<br>5 <sup>th</sup> Floor Hub 2<br>160 Tooley Street<br>London SE1 2QH | planningpolicy@southwark.gov.uk  |
| <b>Web link:</b><br><a href="http://www.london.gov.uk/priorities/planning/londonplan">http://www.london.gov.uk/priorities/planning/londonplan</a>  |   |  |
| Southwark Statement of Community Involvement 2008  | Southwark Council<br>5 <sup>th</sup> Floor Hub 2<br>160 Tooley Street<br>London SE1 2QH | planningpolicy@southwark.gov.uk  |
| <b>Web link (please copy and paste into browser):</b><br><a href="http://www.southwark.gov.uk/planning-and-building-control/planning-policy-and-transport-policy/consultation-and-updates/statement-of-community-involvement">http://www.southwark.gov.uk/planning-and-building-control/planning-policy-and-transport-policy/consultation-and-updates/statement-of-community-involvement</a> |   |  |
| Saved Southwark Plan 2010  | Southwark Council<br>5 <sup>th</sup> Floor Hub 2<br>160 Tooley Street<br>London SE1 2QH | planningpolicy@southwark.gov.uk  |
| <b>Web link (please copy and paste into browser):</b><br><a href="http://www.southwark.gov.uk/assets/attach/1767/1.0.1%20DL%20Saved_Southwark_Plan_policies_and_appendices_strikethrough_version.pdf">http://www.southwark.gov.uk/assets/attach/1767/1.0.1%20DL%20Saved_Southwark_Plan_policies_and_appendices_strikethrough_version.pdf</a>   |   |  |
| The Core Strategy 2011   | Southwark Council<br>5 <sup>th</sup> Floor Hub 2<br>160 Tooley Street<br>London SE1 2QH | <a href="mailto:planningpolicy@southwark.gov.uk">planningpolicy@southwark.gov.uk</a> |
| <b>Web link (please copy and paste into browser):</b><br><a href="http://www.southwark.gov.uk/assets/attach/1675/1.0.2%20DL%20Core_Strategy_2011.pdf">http://www.southwark.gov.uk/assets/attach/1675/1.0.2%20DL%20Core_Strategy_2011.pdf</a>   |   |  |
| National Planning Policy Framework   | Southwark Council<br>5 <sup>th</sup> Floor Hub 2<br>160 Tooley Street<br>London SE1 2QH | planningpolicy@southwark.gov.uk  |
| <b>Web link:</b><br><a href="https://www.gov.uk/government/publications/national-planning-policy-framework--2">https://www.gov.uk/government/publications/national-planning-policy-framework--2</a>  |   |  |
| New Southwark Plan Proposed Submission Version   | Southwark Council<br>5 <sup>th</sup> Floor Hub 2<br>160 Tooley Street<br>London SE1 2QH | planningpolicy@southwark.gov.uk  |
| <b>Web link:</b><br><a href="http://www.southwark.gov.uk/newsouthwarkplan">http://www.southwark.gov.uk/newsouthwarkplan</a>  |   |  |

| Background Papers  | Held At   | Contact                         |
|--|---|---------------------------------|
| Old Kent Road AAP Preferred Option   | Southwark Council<br>5 <sup>th</sup> Floor Hub 2<br>160 Tooley Street<br>London SE1 2QH | planningpolicy@southwark.gov.uk |
| <p><b>Web link (please copy and paste into browser):</b><br/> <a href="http://www.southwark.gov.uk/planning-and-building-control/planning-policy-and-transport-policy/development-plan/area-action-plan?chapter=2">http://www.southwark.gov.uk/planning-and-building-control/planning-policy-and-transport-policy/development-plan/area-action-plan?chapter=2</a></p>        |   |                                 |
| Old Kent Road AAP: New and Amended Policies  | Southwark Council<br>5 <sup>th</sup> Floor Hub 2<br>160 Tooley Street<br>London SE1 2QH | planningpolicy@southwark.gov.uk |
| <p><b>Web links below (please copy and paste into browser):</b><br/> <a href="http://www.southwark.gov.uk/planning-and-building-control/planning-policy-and-transport-policy/development-plan/area-action-plan?chapter=2">http://www.southwark.gov.uk/planning-and-building-control/planning-policy-and-transport-policy/development-plan/area-action-plan?chapter=2</a></p> |   |                                 |

## APPENDICES

| No.        | Title   |
|------------|---|
| Appendix A | Old Kent Road AAP Further Preferred Option 2017 (circulated separately) |
| Appendix B | Proposed changes to the adopted policies map (circulated separately)    |
| Appendix C | Consultation Plan (circulated separately)                               |
| Appendix D | Consultation Report (circulated separately)                             |
| Appendix E | Integrated Impact Assessment (circulated separately)                    |
| Appendix F | Habitat Regulations Assessment (circulated separately)                  |

## AUDIT TRAIL

|   |  |                          |
|---|--|--------------------------|
| <b>Cabinet Member</b>   | Councillor Mark Williams, Regeneration and New Homes |                          |
| <b>Lead Officer</b>   | Eleanor Kelly, Chief Executive                       |                          |
| <b>Report Author</b>  | Juliet Seymour, Planning Policy Manager              |                          |
| <b>Version</b>  | Final  |                          |
| <b>Dated</b>  | 30 November 2017                                     |                          |
| <b>Key Decision?</b>  | No   |                          |
| <b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b> |  |                          |
|   | <b>Comments Sought</b>                               | <b>Comments included</b> |
| Director of Law and Democracy   | Yes  | Yes                      |
| Strategic Director of Finance and Governance                            | Yes  | Yes                      |
| Director of Public Health   | Yes  | Yes                      |
| Cabinet Member  | Yes  | Yes                      |
| <b>Date final report sent to Constitutional Team</b>                    | 30 November 2017                                     |                          |

|                                    |                               |   |                                 |
|------------------------------------|-------------------------------|---|---------------------------------|
| <b>Item No.</b><br>14.             | <b>Classification</b><br>Open | <b>Date:</b><br>12 December 2017  | <b>Meeting Name:</b><br>Cabinet |
| <b>Report title:</b>               |                               | Housing Revenue Account – Indicative Rent Setting and Budget Report 2018-19 |                                 |
| <b>Ward(s) or groups affected:</b> |                               | All   |                                 |
| <b>Cabinet Member:</b>             |                               | Councillor Stephanie Cryan, Deputy Leader and Cabinet Member for Housing    |                                 |

## **FOREWORD – COUNCILLOR STEPHANIE CRYAN, DEPUTY LEADER AND CABINET MEMBER FOR HOUSING**

This year’s indicative rent setting and budget report for the Housing Revenue Account sets out recommendations and key considerations before formally being agreed by cabinet in January 2018.

Since 2016 we have felt the impact of the National Rent Reduction of 1% a year which forms part of the Welfare Reform and Work Act 2016 and it is estimated that by 2020 this could be the equivalent loss of £62.5m to the Housing Revenue Account. The roll out of Universal Credit has also had an impact as we see rent arrears increase due to the delays in processing applications and the effects of the statutory waiting times. Whilst the commitment of the Government to end the seven day waiting period is welcomed the effects of current rent arrears on the Housing Revenue Account amount to just over £5.8m.

There will be further demands on the Housing Revenue Account for fire safety works and for the Ledbury Estate tower blocks but the full cost of this is not yet known.

We remain committed to ensure that savings are generated through efficiencies and whilst there are some increases in line with CPI to tenant service charges and garage charges we will not be proposing an increase to our sheltered housing services charges or to district heating and hot water charges.

We plan to consult on the recommendations of this report with Tenant Council, Homeowners Council and Area Housing Forums before the final report is presented to cabinet in January and I am asking cabinet to accept the recommendations for the indicative setting prior to this.

## **RECOMMENDATIONS**

1. Cabinet notes on a provisional basis a rent decrease of 1.0% for all directly and tenant managed (TMO) housing stock within the HRA (comprising estate voids, sheltered and hostels), with effect from 2 April 2018. This is in accordance with the provisions of the Welfare Reform and Work Act 2016.
2. With regard to other HRA-wide charges, cabinet notes on a provisional basis the changes to tenant service charges, comprising estate cleaning, grounds maintenance, communal lighting and door entry maintenance as set out in paragraphs 37 – 38 with effect from 2 April 2018.

3. Cabinet notes on a provisional basis no increase to sheltered housing service charges as set out in paragraph 39 with effect from 2 April 2018.
4. Cabinet notes on a provisional basis an increase of 3% (average) in charges for garages, stores, sheds and parking bays as set out in paragraphs 40 –42.
5. Cabinet notes on a provisional basis no increase to district heating and hot water charges as set out in paragraph 43 with effect from 2 April 2018.
6. Cabinet reaffirms its commitment to ensure that savings proposals are primarily based on efficiencies, and where staffing reductions form part of any savings proposal, that due consultation and process is followed with trade unions.
7. Cabinet instructs officers to provide a final report on Rent Setting and the HRA Budget for 2018-19 after due consultation processes with residents have been followed for consideration at their meeting on 23 January 2018.

## **BACKGROUND INFORMATION**

### **Statutory framework**

8. The Housing Revenue Account (HRA) reflects the statutory requirement under Section 74 of the Local Government and Housing Act 1989 to account separately for local authority housing provision. It is a ring-fenced account, containing solely the costs arising from the provision and management of the council's housing stock, offset by tenant rents and service charges, homeowner service charges and other income. The council has a statutory responsibility to set a balanced HRA budget (i.e. all budgeted expenditure must be matched by income).
9. Whilst there were a number of policy changes contained within both the Welfare Reform and Work Act 2016 and the Housing and Planning Act 2016, the only one with immediate and continuing effect is the statutory reduction of rents by 1% each year for four years. The remaining very significant areas of legislation impacting on HRA finance, such as the introduction of "pay-to-stay", the higher-value levy on void sales, and revisions regarding the granting of new social housing tenancies have been sidelined somewhat as other national policy objectives have taken precedence.
10. The housing and modernisation department provides services funded by both the HRA and the general fund for functions that fall outside the statutory ring-fence. The latter form part of the council-wide general fund budget proposals, which are considered separately by cabinet and council assembly.

## **KEY ISSUES FOR CONSIDERATION**

### **National rent reduction**

11. For the first time in many years the government legislated regarding social rents, by the inclusion of provisions within the Welfare Reform and Work Act 2016 compelling councils and housing associations to reduce rents by 1% each year from April 2016 to April 2019 inclusive (financial years 2016-17 to 2019-20).

12. Notwithstanding the long-term impact of the straight to target policy for council new lets, which will see target rents being achieved over an extended period of time, Southwark has a history of low or inflation-linked rent rises, and has always adhered to government methodology with regard to national social rent policies. The single exception to this was to agree a lower rent increase, equivalent to CPI for that year, as the implied national increase was considered to be too high. This has meant that Southwark's rents remain around 10% lower than the government's assumed target and rank 7<sup>th</sup> lowest of the 29 London Boroughs with retained housing stock. Under such a reduction, the average dwelling rent across the entire stock for 2018-19 would be £98.54 per week based on the estimated mid-year average stock.
13. Following a period of uncertainty, in October 2017 the Department for Communities and Local Government (CLG) announced that national rent policy would revert to CPI +1% for a period of five years from 2020-21 to 2024-25. Had this policy been in effect for 2018-19 the resultant rent increase at September CPI +1% would have been 4.0% and raised £7.6m, rather than the loss implicit in the rent reduction (excluding stock/void movements).

### **Pay-to-stay**

14. As noted in last year's budget and rent setting report, in November 2016 the then Minister for Housing and London confirmed in a written statement that the policy would no longer be made mandatory from April 2017. Whilst local authorities and housing associations continue to be able to introduce the policy on a voluntary basis, cabinet in January 2017 reaffirmed its earlier decision that it will not be implementing the policy and has no plans to do so in the future.

### **Lifetime tenancies**

15. The Housing and Planning Act 2016 set out changes to arrangements regarding secure tenancies from April 2016 onward. With some caveats, the statutory default position is for new tenancies to be limited to a five year, renewable period. Government intentions are to enable local housing authorities to more efficiently apply their stock, potentially including consideration of the ability of individual tenants to pay more market-related rents. However, it should be stressed that this latter interpretation is not council policy. At the time of writing, the government has not issued any further guidance regarding the implementation of this policy.

### **Higher-value void property sales**

16. The Housing and Planning Act 2016 contains sections setting out the government's intention to require local authorities to remit sums to them equivalent to the value of sales of higher-value void properties in order to finance the introduction of the right to buy in the RSL sector.
17. In late November 2016 CLG indicated that since the voluntary right to buy extension has been supplanted as a policy priority by the need to prepare for the United Kingdom's exit from the European Union, the policy had been formally postponed to some future date. Since this announcement, the government has not issued any further guidance in this regard and the policy objective remains in abeyance.

18. As with other aspects of recent legislation set out above, the consequence of the forced sale of higher-value voids would represent a further deviation from the stock and rental income assumptions underpinning the 2012 self-financing settlement and would be seriously detrimental to the council's housing investment programme (HIP).

### Budget position

19. The table below shows the extent of budget pressures/commitments faced by the HRA since it became self-financing. This has been met through savings (predominantly efficiency savings) and budget rationalisation measures, together with relatively modest rent and charge increases, which have successfully delivered balanced budgets as required by statute.

|              | Budget Pressures/<br>Commitments<br>£'000 | Financing and<br>Rents<br>£'000 | Efficiency and<br>Other Savings<br>£'000 | Net<br>Change<br>£'000 |
|--------------|---|---------------------------------|--|------------------------|
| 2012-13      | 5,500                                     | 856                             | (6,356)                                  | -                      |
| 2013-14      | 12,641                                    | (6,609)                         | (6,032)                                  | -                      |
| 2014-15      | 5,758                                     | 135                             | (5,893)                                  | -                      |
| 2015-16      | 10,491                                    | (5,029)                         | (5,462)                                  | -                      |
| 2016-17      | 10,676                                    | (349)                           | (10,327)                                 | -                      |
| 2017-18      | 5,184                                     | 1,557                           | (6,741)                                  | -                      |
| <b>Total</b> | <b>50,250</b>                             | <b>(9,439)</b>                  | <b>(40,811)</b>                          | <b>-</b>               |

20. Whilst the funding regimes for the HRA and the council's general fund are different, the budget principles and timelines are broadly aligned. Budget review and rationalisation is unremitting and endeavours to identify savings through more efficient working practices, with particular focus on back-office and departmental/corporate overheads in order to protect front-line services. This is particularly difficult within the constraints of a national rent policy, welfare reform changes, increasing demand and delivery of the council's Fairer Future promises to improve services, build more homes (at council rent) and deliver planned infrastructure/renewal programmes, i.e. kitchens and bathrooms, and crucially fire safety, which has been a council priority since Lakanal in 2009.
21. The indicative budget for 2018-19 is predicated on a number of known budget pressures and assumptions around demand/activity, principally the rental loss arising from the statutory 1% rent reduction together with changes in stock numbers and void rates of £1.8m. Contractual inflation and new commitments add a further £1.9m giving rise to a budget gap of £3.7m. Where possible, general inflation and small-scale cost pressures/commitments are being absorbed to mitigate the size of the budget gap, requiring greater efficiency and management of variable costs.

22. The transition to Universal Credit (UC) is accelerating with a current caseload of around 4,500. Long lead-in times and direct payment has seen a deterioration in collection rates which have dipped to around 91%, compared with non-UC cases which is substantially higher (around 99%), and this is having a negative impact on arrears. This trend is concerning and represents another drain on resources, over which the council has limited control. However, in November the Budget did contain measures in relation to UC which should provide some assistance in this regard (particularly for temporary accommodation cases that will be removed from UC from April 2018). To mitigate the risk of lower collection, officers continue to review and maintain adequate provisions within the HRA to manage the position over the medium-term.
23. Some cost pressures/commitments are neutral in budget terms, such as the price uplift for the homeowner buildings insurance contract which is wholly recoverable through service charges. Similarly, the anticipated reduction in homeowner major works billing is off-set entirely by the compensating reduction in the level of revenue support for the housing investment programme (HIP).
24. Given the constraint on rents, it is incumbent on the council to look to generate additional revenue where possible to ameliorate the budget gap, in preference to reducing service provision. The council's Fairer Futures Medium Term Financial Strategy (FFMTFS) and Integrated Efficiency Plan sets out the requirements in respect of fees and charges. Unless mandatory provision or other over-riding policy/affordability criteria exists, then discretionary fees and charges are set at a level equal to the most appropriate London average. For 2018-19 an increase in line with the Consumer Price Index (CPI), which stood at 3% in September 2017 is being applied. This together with rental income growth from the HRA commercial property portfolio and other income streams detailed elsewhere in this report are expected to generate £1,053m in total.
25. Improved contract management and effective control of high value/high volume budgets continue to deliver better value for money. Lower void turnover and on-going capital investment in the stock help to relieve some of the pressure on the repairs and maintenance budget and with the imminent completion of the WDS programme, transition towards a planned preventative asset management approach through the Quality Homes Investment Programme (QHIP) will provide a greater degree of certainty around budget planning going forward.

26. Close monitoring and scrutiny of key budget drivers and performance indicators provide opportunity to realign budgets to more closely reflect demand and activity changes and correct any budget anomalies that may have arisen over time. The proposed budget changes listed at Appendix A totalling £2.688m and described below are a combination of budget realignments and efficiencies which have no direct impact on service delivery but enable a balanced budget to be set:
- Contingency reserve – removal of unallocated contingency budget increases risk of not being able to cope with unforeseen events.
  - NNDR and utility services – reductions reflecting usage/price changes.
  - Corporate support costs – reduction in council-wide corporate budgets resulting in lower recharge to HRA.
  - Hoarding – a multi-agency approach focussing on early intervention measures including counselling and closer support leading to lower clearance/disposal costs.
  - Supported housing – sprinkler installation and accommodation upgrades funded from capital, requires lower planned maintenance budget.
  - Area management – general realignment of operating budgets across the division.
  - Abbeyfield Road closure – redundant office accommodation pending possible housing development requiring only residual operational budget.
27. However, the reality is that in the current financial environment, resources are unlikely to ever match the needs of the housing stock, particularly the scale of capital investment required, so this inevitably requires the prioritisation, rationalisation and re-profiling of capital works programmes in order to achieve best value and ensure the HRA remains sustainable and able to support the HIP over the long-term. Appendices A to C set out the indicative revenue budget movements as they relate to 2018-19.

*Note: In October 2017 cabinet rescinded their earlier decision made as part of budget setting for 2017-18 to introduce the 0300 repairs phone line following resident representations. A compensating movement in the contingency reserve preserves the balanced HRA budget for the current year.*

### **Future budget risks**

28. Elsewhere on this agenda is a gateway zero report outlining the strategic delivery options for housing repairs and maintenance from October 2018 following the cessation of the Mears contract. The proposal is to in-source all non-rechargeable works comprising internal responsive repairs, emergencies, voids, disrepair and aids and adaptation repairs for the whole borough, to Southwark Building Services (SBS) under a service level agreement (SLA). This would be for an initial trial period of twelve months, but subject to a six-month progress review.



29. All chargeable works contracts comprising communal, roofing and rainwater, fire protection and metal works will be tendered and packaged by area – north and south, with the exception of metal works which is borough-wide. Procurement has already commenced in order to meet the October deadline and legal obligations under s.20 legislation. SBS will also be invited to tender for these works contracts.
30. This represents a significant structural change to the delivery of these services and for an operation of this scale (contract value c. £14.4m) will inevitably carry risk. These will include the management of the transition to the new arrangements, stabilisation of the new service and the on-going management of performance and cost.
31. Historically, SBS trading performance has been variable with trading losses being repatriated to the HRA and the risk remains that this will continue given the scale of organisational transformation required within what is a relatively short timeframe. Officers are instructed to develop a full project plan and detailed service delivery model and report back to cabinet in March 2018.
32. For budget planning purposes, it is assumed that the new arrangements will operate within the same budget parameters and the impact to the HRA in 2018-19 will be neutral. However, in the event of trading losses and/or cost over-runs, these will have first call against HRA reserves.

#### **HRA financing**

33. The self-financing settlement assumed that residual debt would be extinguished over the thirty-year life of the business plan. Whilst there is no statutory requirement for a minimum repayment set-aside (unlike the general fund), £58.3m has been repaid since 2012 providing greater flexibility to meet budget pressures and increasing HRA borrowing headroom which is critical to achieving the council's new homes target.
34. Up until now, the necessity to borrow to fund capital investment has been avoided, but going forward that position is no longer sustainable and borrowing will be required possibly within the current financial year (2017-18), dependent on programme delivery. The tragic event at Grenfell and subsequent council response to fire safety, specifically Ledbury and across the wider stock will inevitably increase the investment need and the extent of this will become clearer over the next few months, which exacerbates the pressure on already stretched capital resources. Whilst some relaxation of local authority borrowing controls would be welcome, that is not a panacea for unfettered resources as the revenue financing costs of new borrowing need to be sustainable over the long-term.
35. Borrowing is subject to the provisions of the Local Government Act 2003 which requires the local authority to have regard to the Chartered Institute of Public Finance and Accountancy's *Prudential Code for Capital Finance in Local Authorities 2011* when determining how much money it can afford to borrow. The objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable, and that decisions are taken in accordance with good professional practice. The council's treasury management strategy is regularly reviewed and reported to council assembly twice a year.

## HRA reserves

36. In accordance with the FFMTFS and in common with other local authorities and the council's general fund, the HRA holds reserves to manage demand driven budget volatility, to fulfil future commitments and mitigate risk. The level of reserves and working balances at 31 March 2017 stood at £14.3m, down from £16.6m the previous year. This is a continuation of the downward trajectory experienced over the medium term, primarily as a result of the water refunds policy and the on-going requirement to support the capital programme and avoid borrowing. It should be noted that around three-quarters are earmarked for specific purposes, with the remainder held as a contingency against exceptional or catastrophic events. Given the size of the HRA and HIP, this is considered to be below the optimal level required and it remains a priority to establish a more prudent reserve position when resources permit.

## Tenant service charges

37. Tenant service charges (TSC) originated from the government's rent restructuring regime in 2002-03 with the intention of engendering greater consistency and transparency between local authority and RSL sectors. They were first de-pooled from rents (i.e. rents were reduced by the same amount as the cost of the service charges) in Southwark in 2003-04 and have been rebased on several occasions since.
38. Charges are determined by actual costs; the costs are pooled and divided by the estimated number of service recipients to derive a standard charge across the borough. In order to ensure that costs and charges remain aligned, they are now subject to annual rebasing and the existing and proposed rates are set out below. The overall increase in percentage terms for a tenant in receipt of all four services is 3.2% and crucially they remain eligible for support under Universal Credit.

| Tenant service charges | 2017-18<br>£ per week | 2018-19<br>£ per week | 2018-19<br>£ change per<br>week |
|------------------------|-----------------------|-----------------------|---------------------------------|
| Estate Cleaning        | 5.21                  | 5.52                  | 0.31                            |
| Grounds Maintenance    | 1.16                  | 1.22                  | 0.06                            |
| Communal Lighting      | 1.33                  | 1.30                  | (0.03)                          |
| Door Entry Maintenance | 0.70                  | 0.63                  | (0.07)                          |
| <b>Total</b>           | <b>8.40</b>           | <b>8.67</b>           | <b>0.27</b>                     |

39. Sheltered housing service charges are subject to a separate charging review following an expansion of the available supported units (Tayo Situ House). It is not proposed to alter existing charge rates (£30.20 per week) until the review is complete.

### Garage and non-residential charges

40. At its meeting on 7 February 2017 and in response to resident concerns, cabinet considered alternative garage charge proposals and agreed lower increases than originally presented at the meeting on 24 January 2017 as part of the HRA rent setting and budget report. Garage assets provide a valuable revenue stream to the HRA which helps to ameliorate the budget gap through modest charge increases and an increase in the number of lettable units. This is as a direct result of the ongoing programme of maintenance/renewal and large-scale refurbishment to bring obsolete garages back into use. Going forward however, this trend may slow or cease as resources become more restricted and policy priorities for garage sites shift towards the provision of new housing development and new affordable business/creative work space, which reduces the opportunity to expand the lettings base and generate further revenue growth.
41. Benchmarking shows that Southwark's rents are competitive in the market place, although higher than a number of other local authorities across London. However, the budget situation dictates that all sources of income are closely examined and it is proposed to apply a standard CPI uplift of 3% to garages, garage service charges and other miscellaneous non-residential facilities such as stores, sheds and parking bays from 2 April 2018 (subject to a de-minimis value of 5p). The existing and proposed garage charge rates are set out below.

| Garage charges                    | 2017-18<br>£ per week | 2018-19<br>£ per week | 2018-19<br>£ change per<br>week |
|-----------------------------------|-----------------------|-----------------------|---------------------------------|
| Standard rate                     | 19.62                 | 20.20                 | 0.58                            |
| Concessionary rate (£5 reduction) | 14.62                 | 15.20                 | 0.58                            |
| Small sites rate                  | 10.50                 | 10.80                 | 0.30                            |
| Private sector rate               | 32.50                 | 33.50                 | 1.00                            |
| Larger than average garage        | 5.00                  | 5.15                  | 0.15                            |
| Additional parking                | 5.00                  | 5.15                  | 0.15                            |
| Water supply                      | 0.50                  | 0.50                  | –                               |
| Additional security               | 1.00                  | 1.00                  | –                               |

42. Research into the potential for a zonal pricing regime for private sector renters has identified 2,147 garages within a quarter of a mile of transport hubs in the borough. On average there are around 3,000 applicants on the garage waiting list, of which around 1,400 are private sector applicants. Whilst demand is high across the board, there is a statutory requirement that garages must be offered to tenants and resident homeowners first and whilst affordability may be a factor, the opportunity for private sector applicants to acquire a garage is relatively low. As such, this is unlikely to generate any meaningful uplift in income.

### **District heating charges**

43. Council-wide utility contracts have and continue to deliver savings for gas and electricity and charges remain lower on average than retail market prices. Periodic review of the budget is necessary to align the anticipated cost and income during the forthcoming year arising from fluctuating prices, spikes in demand due to poor weather and changes in the recoverable stock base. Energy costs are pooled and standardised 'fuel only' charges set on a borough-wide basis for tenants, depending on the number of bedrooms and type of heating installation. On-going investment in the infrastructure to increase energy efficiency/reduce consumption also contributes to the financial sustainability of the heating account which has enabled charges to remain static over an extended period and can be held at existing levels once again for 2018-19. Homeowners are charged actual costs, comprising energy and repairs and maintenance as determined by their lease.

### **Other income**

44. Tenant rents and service charges constitute c.76% of HRA income; the remainder comprise homeowner revenue and capital service charges, commercial property rents, interest, recharges and costs recovered and capitalised costs.
45. Homeowner contributions are the second-largest income source and represent the actual costs incurred within the HRA that are fully recoverable under the terms of their lease. In light of current activity and expected right to buy sales growth the budget has been increased to reflect a marginal volume increase in leasehold stock and an increase in the cost of the buildings insurance policy which is being reproced.
46. Capital works charges are determined by the scale and delivery of investment in the stock and the extent to which it pertains to leasehold property (external and communal works). The base budget is based on a relatively prudent expectation of income in order to avoid frequent budgetary fluctuations due to the variable nature of the works programme. However, as the WDS programme winds down, the level of rechargeable works going forward is projected to be substantially lower and it is necessary to reflect that by reducing the annual income budget from £15m to £10m. However, the position is neutral overall as the amount of revenue contribution made from the HRA to the HIP reduces by the same amount to compensate.
47. Other contributory income elements include a net increase in the rental stream derived from the HRA commercial property portfolio to reflect increased lettings and lease renewals and minor fees and charges.

### **Consultation and notification**

48. Whilst there is no statutory requirement to consult, the council remains committed to engaging with residents under the terms of the Tenancy Agreement. This process commences with this interim scene-setting report to cabinet on 12 December 2017 setting out the indicative budget and implications for rents and other charges in order that consultation with residents can commence before Christmas. This report will be presented to Tenant Council, area housing forums, Southwark TMO Liaison Committee and Homeowner Council (HOC) during December 2017 and January 2018. HOC are unable to make recommendations in the matter of tenant rents and service charges, but may do so in respect of proposals regarding garage charges and in terms of the budget proposals pertinent to the calculation of their service charges.
49. Cabinet will consider the final rent setting and HRA budget report at their meeting on 23 January 2018. As normal, the results of the consultation processes will be reported to cabinet at that meeting for their consideration.
50. As previously noted, the revised HRA budget for 2017-18 and indicative budget for 2018-19 is summarised in Appendix B.

### **Statutory and contractual notifications**

51. Subsequent to the approval of the final report on 23 January 2018, either as set out or as amended by cabinet, and the passing of the necessary date for its implementation, the council will issue a statutory and contractual notification of variation in rents and other charges to all tenants, not less than 28 days prior to the operative date (2 April 2018) for the commencement of the new rents and charges referred to above.

### **Community impact statement**

52. The department undertakes equality analysis/screening on its budget proposals, which helps to understand the potential effects that the proposals may have on different groups and whether there may be unintended consequences and how such issues can be mitigated. Analysis is also undertaken to consider any cross-cutting and council-wide impacts.
53. In line with our Public Sector Equality Duty contained within section 149 of the Equality Act 2010, any changes to services arising from these proposals will be implemented in such a way so as to not impact disproportionately on any specific section or group in our community and where necessary, consultation will be undertaken alongside mitigating action.
54. As specific proposals are brought forward and at each stage of implementation thereafter, the impacts on different categories of staff will be assessed in accordance with the council's reorganisation, redeployment and redundancy procedures.
55. Information on the equality analysis is shared with relevant cabinet members so as to enable it to be considered when decisions are taken. To date no cumulative impacts have been identified.

56. The purpose of this report is specifically to set tenant rents and associated charges (which can also impact homeowners), and set a balanced budget as required by statute. The analysis has established there is no differential effect for any community or protected group. It should be noted that rent policy from 2016-17 to 2019-20 is determined nationally and requires authorities to reduce rents by 1% per annum. However, it is recognised that in normal circumstances a rent increase may present particular difficulties for people on low incomes, although rents and tenant service charges remain eligible for housing benefit/universal credit.
57. The wider impact of welfare reform changes have been considered and measures to mitigate the effects on the community have been implemented together with the provision of additional resources to support tenancy sustainment and financial assistance through the provision of Discretionary Housing Payments (DHP). The provision of further DHP support is subject to annual confirmation from central government.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Director of Law and Democracy**

58. Statutory requirements as to the keeping of a Housing Revenue Account (HRA) are contained in the Local Government and Housing Act 1989 ('the 1989 Act'). The 1989 Act provisions include a duty, under Section 76 of the 1989 Act, to budget to prevent a debit balance on the HRA and to implement and review the budget.
59. Under Section 24 of the Housing Act 1985, local housing authorities have the power to "*make such reasonable charges as they may determine for the tenancy or occupation of their houses*". Section 24 also requires local authorities, from time to time, to review rents and make such changes as circumstances may require. This provision conferring discretion as to rents and charges made to occupiers, effectively limited by the above HRA provision, is subject to further restrictions arising from the provisions of the Welfare Reform and Work Act 2016 ('the 2016 Act').
60. The Welfare Reform and Work Act and regulations require (subject to limited exceptions) a 1% annual reduction from a frozen 2015-16 baseline, to the rent payable by social tenants for a period of four years. The Act also makes provision, for a period of four years commencing 2016, for the maximum levels of rent for social tenancies commencing after 8 July 2015; these provisions apply to tenancies of new homes and re-lets to a new tenant, but not the grant of a new tenancy to an existing tenant.
61. For social rent properties, the rent reduction requirement applies to the rent element of the charge under the tenancy agreement and not to charges made for services.

62. Rent and other charges are excluded from the statutory definition of matters of housing management in respect of which local authorities are required to consult their tenants pursuant to Section 105 of the Housing Act 1985 and Sections 137 and 143A of the Housing Act 1996 in relation to secure, introductory and demoted tenants respectively. As a term of the tenancy agreement with its tenants however, Southwark Council has undertaken to consult with the Tenant Council before seeking to change rent and other charges. The report indicates consultation will take place in order to comply with this term.
63. It is provided by Section 103 of the Housing Act 1985 in relation to secure tenancies, which and, in respect of introductory tenancies by virtue of Section 111A of the Housing Act 1985, and, the council's agreement with its tenants, that tenants be notified of variation of rent and other charges, by service of a notice of variation, at least 28 days before the variation takes effect.
64. In making a decision the cabinet must have due regard to its equalities duties set out in the Equalities Act 2010 and specifically the need to:
- Eliminate discrimination, harassment, victimisation or other prohibited conduct.
  - Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not. The protected characteristics covered by the equality duty are age, disability, gender reassignment, pregnancy and maternity, race, religion, sex and sexual orientation. The duty also includes marriage and civil partnerships in respect of eliminating unlawful discrimination.
  - Foster good relationships between those who share relevant characteristics and those who do not.
65. The report includes a community impact statement which sets out consideration given to the equality duties in the Equality Act.

**BACKGROUND DOCUMENTS**

| <b>Background Papers</b>   | <b>Held At</b>                      | <b>Contact</b>                         |
|--|-------------------------------------|--|
| January 2017 cabinet report – rent setting   | 160 Tooley Street<br>London SE1 2QH | Paula Thornton,<br>Constitutional Team |
| <b>Link: (copy and paste link into browser)</b><br><a href="http://moderngov.southwark.gov.uk/documents/s66095/Report%20Housing%20Revenue%20Account%20-%20Final%20Rent-Setting%20and%20Budget%20Report%202017-18.pdf">http://moderngov.southwark.gov.uk/documents/s66095/Report%20Housing%20Revenue%20Account%20-%20Final%20Rent-Setting%20and%20Budget%20Report%202017-18.pdf</a> |                                     |  |

**APPENDICES**

| <b>No.</b> | <b>Title</b>  |
|------------|---|
| Appendix A | HRA Summary Budget Movements 2018-19                      |
| Appendix B | HRA Summary Revised 2017-18 and Indicative Budget 2018-19 |
| Appendix C | HRA Indicative Budget 2018-19                             |

**AUDIT TRAIL**

|   |  |                          |
|---|--|--------------------------|
| <b>Cabinet Member</b>   | Councillor Stephanie Cryan, Deputy Leader and Cabinet Member for Housing |                          |
| <b>Lead Officer</b>   | Duncan Whitfield, Strategic Director of Finance and Governance           |                          |
| <b>Report Author</b>  | Ian Young, Departmental Finance Manager, Housing and Modernisation       |                          |
| <b>Version</b>  | Final  |                          |
| <b>Dated</b>  | 1 December 2017  |                          |
| <b>Key Decision?</b>  | Yes  |                          |
| <b>CONSULTATION WITH OTHER OFFICERS/DIRECTORATES/CABINET MEMBER</b> |  |                          |
| <b>Officer Title</b>  | <b>Comments Sought</b>   | <b>Comments included</b> |
| Director of Law and Democracy                                       | Yes  | Yes                      |
| Strategic Director of Finance and Governance                        | N/a  | N/a                      |
| <b>Date final report sent to Constitutional Team</b>                |  | 1 December 2017          |



## APPENDIX A – HRA SUMMARY BUDGET MOVEMENTS 2018-19

|   | <b>Total<br/>£'000</b> |
|---|------------------------|
| <b>Budget pressures and commitments:</b>          |                        |
| Statutory rent reduction and stock/void movement  | 1,815                  |
| Contractual inflation                             | 1,660                  |
| Exchequer income services (HRA managed functions) | 266                    |
| Reduction in Homeowner major works billing        | 5,000                  |
| Reduction in revenue support for the HIP          | (5,000)                |
| Homeowner building insurance premium increase     | 600                    |
| Homeowner building insurance premium recovery     | (600)                  |
| <b>Sub-total</b>                                  | <b>3,741</b>           |
| <b>Budget realignment/efficiencies:</b>           |                        |
| Contingency reserve                               | (1,057)                |
| NNDR and utility services                         | (975)                  |
| Corporate support costs                           | (114)                  |
| Hoarding service – multi agency intervention      | (100)                  |
| Supported housing operating budgets               | (155)                  |
| Area management operating budgets                 | (237)                  |
| Abbeyfield Road office closure                    | (50)                   |
| <b>Sub-total</b>                                  | <b>(2,688)</b>         |
| <b>Rents and charges:</b>                         |                        |
| Commercial property rents                         | (260)                  |
| Homeowner service charges                         | (130)                  |
| Tenant service charges                            | (391)                  |
| Garage and associated non-residential charges     | (253)                  |
| Fees and charges                                  | (19)                   |
| <b>Sub-total</b>                                  | <b>(1,053)</b>         |
| <b>Total Budget Movements</b>                     | <b>-</b>               |

## APPENDIX B – HRA SUMMARY REVISED 2017-18 AND INDICATIVE BUDGET 2018-19

|  | Revised Base<br>Budget 2017-18<br>£m | Indicative<br>Budget 2018-19<br>£m |
|--|--------------------------------------|------------------------------------|
| <b>Expenditure:</b>                              |                                      |                                    |
| Employees  | 29.5                                 | 30.1                               |
| Operational Running Costs                        | 32.7                                 | 31.4                               |
| Contingency Reserve                              | 1.0                                  | –                                  |
| Grounds Maintenance and Estate Cleaning          | 16.5                                 | 16.6                               |
| Repairs and Maintenance                          | 44.2                                 | 45.1                               |
| Revenue Support for the Investment Programme     | 31.1                                 | 31.1                               |
| Corporate Support Costs/Service Level Agreements | 25.2                                 | 25.7                               |
| Depreciation                                     | 53.0                                 | 53.0                               |
| Financing Costs                                  | 33.6                                 | 28.6                               |
| Tenant Management Organisations                  | 3.0                                  | 3.0                                |
| <b>Sub-total</b>                                 | <b>269.8</b>                         | <b>264.6</b>                       |
| <b>Income:</b>                                   |                                      |                                    |
| Dwelling Rents                                   | (190.8)                              | (189.6)                            |
| Garage and Non-Dwelling Charges                  | (5.0)                                | (5.3)                              |
| District Heating Charges                         | (9.3)                                | (8.9)                              |
| Tenant Service Charges                           | (14.4)                               | (14.5)                             |
| Homeowner Major Works                            | (15.0)                               | (10.0)                             |
| Homeowner Service Charges                        | (18.9)                               | (19.6)                             |
| Interest on Balances                             | (0.5)                                | (0.5)                              |
| Commercial Property                              | (7.0)                                | (7.2)                              |
| Fees and Charges                                 | (1.9)                                | (2.0)                              |
| Capitalisation                                   | (0.9)                                | (0.9)                              |
| Recharges and Costs Recovered                    | (6.1)                                | (6.1)                              |
| <b>Sub-total</b>                                 | <b>(269.8)</b>                       | <b>(264.6)</b>                     |
| <b>TOTAL</b>                                     | <b>–</b>                             | <b>–</b>                           |

**APPENDIX C – HRA INDICATIVE BUDGET 2018-19**

| <b>HOUSING REVENUE ACCOUNT</b>               | <b>2017-18<br/>Revised Base<br/>Budget<br/>£'000</b> | <b>Budget<br/>Pressures and<br/>commitments<br/>£'000</b> | <b>Dwelling rent<br/>reduction/stock<br/>movement<br/>£'000</b> | <b>Other rents and<br/>charges<br/>£'000</b> | <b>Budget<br/>realignment/<br/>efficiencies<br/>£'000</b> | <b>2018-19<br/>Indicative<br/>Budget<br/>£'000</b> |
|--|--|---|---|--|---|--|
| <b>Expenditure:</b>                          |  |   |   |  |   |  |
| Employees                                    | 29,451   | 694   | –   | –  | –   | <b>30,145</b>                                      |
| Operational Running Costs                    | 32,623   | 166   | –   | –  | (1,417)   | <b>31,372</b>                                      |
| Contingency Reserve                          | 1,057  | –   | –   | –  | (1,057)   | <b>–</b>   |
| Grounds Maintenance and Estate Cleaning      | 16,539   | 166   | –   | –  | (100)   | <b>16,605</b>                                      |
| Repairs and Maintenance                      | 44,200   | 900   | –   | –  | –   | <b>45,100</b>                                      |
| Revenue Support for the Investment Programme | 31,145   | –   | –   | –  | –   | <b>31,145</b>                                      |
| Corporate Support Costs and SLA's            | 25,206   | 600   | –   | –  | (114)   | <b>25,692</b>                                      |
| Depreciation                                 | 53,000   | –   | –   | –  | –   | <b>53,000</b>                                      |
| Financing Costs                              | 33,555   | (5,000)   | –   | –  | –   | <b>28,555</b>                                      |
| Tenant Management Organisations              | 2,979  | –   | –   | –  | –   | <b>2,979</b>                                       |
| <b>Sub-total</b>                             | <b>269,755</b>                                       | <b>(2,474)</b>  | <b>–</b>  | <b>–</b>                                     | <b>(2,688)</b>  | <b>264,593</b>                                     |
| <b>Income:</b>                               |  |   |   |  |   |  |
| Dwelling Rents                               | (190,763)  | –   | 1,152   | –  | –   | <b>(189,611)</b>                                   |
| Garages and Non-Dwelling Charges             | (5,016)  | –   | –   | (253)  | –   | <b>(5,269)</b>                                     |
| District Heating Charges                     | (9,274)  | –   | 350   | –  | –   | <b>(8,924)</b>                                     |
| Tenant Service Charges                       | (14,373)   | –   | 313   | (391)  | –   | <b>(14,451)</b>                                    |
| Homeowners Major Works                       | (15,000)   | 5,000   | –   | –  | –   | <b>(10,000)</b>                                    |
| Homeowners Service Charges                   | (18,905)   | (600)   | –   | (130)  | –   | <b>(19,635)</b>                                    |
| Interest on Balances                         | (486)  | –   | –   | –  | –   | <b>(486)</b>                                       |
| Commercial Property                          | (7,020)  | –   | –   | (260)  | –   | <b>(7,280)</b>                                     |
| Fees and Charges                             | (1,936)  | –   | –   | (19)   | –   | <b>(1,955)</b>                                     |
| Capitalisation                               | (909)  | –   | –   | –  | –   | <b>(909)</b>                                       |
| Recharges and Costs Recovered                | (6,073)  | –   | –   | –  | –   | <b>(6,073)</b>                                     |
| <b>Sub-total</b>                             | <b>(269,755)</b>                                     | <b>4,400</b>  | <b>1,815</b>  | <b>(1,053)</b>                               | <b>–</b>  | <b>(264,593)</b>                                   |
| <b>TOTAL</b>                                 | <b>–</b>   | <b>1,926</b>  | <b>1,815</b>  | <b>(1,053)</b>                               | <b>(2,688)</b>  | <b>–</b>   |

|                                    |                                |  |                                 |
|------------------------------------|--------------------------------|--|---------------------------------|
| <b>Item No.</b><br>15.             | <b>Classification:</b><br>Open | <b>Date:</b><br>12 December 2017   | <b>Meeting Name:</b><br>Cabinet |
| <b>Report title:</b>               |                                | Office Accommodation Strategy - Queens Road 4                                      |                                 |
| <b>Ward(s) or groups affected:</b> |                                | All  |                                 |
| <b>Cabinet Member:</b>             |                                | Councillor Fiona Colley, Cabinet Member for Finance, Modernisation and Performance |                                 |

### **FOREWORD - COUNCILLOR FIONA COLLEY, CABINET MEMBER FOR FINANCE, MODERNISATION AND PERFORMANCE**

Southwark Council is committed to delivering high quality, value for money services and ensuring our organisation and our services are fit for the future. Our Modernisation Strategy is central to this. The proposal for a new operational building on Queens Road is a substantial step towards achieving this.

The new building will allow us to bring together services and staff currently spread across six different buildings in Peckham and East Dulwich. This will allow us to make more efficient use of our assets and free up sites for much needed housing. This project will deliver great value for money, but it is about so much more than that.

Many of the existing offices are frankly sub-standard, demoralising and in some cases even unwelcoming places to work and visit. This project is an opportunity to provide a substantially improved and welcoming environment for families at risk of homelessness and for vulnerable children, as well as for our staff who work so hard to provide these vital services.

The project is not without challenges and we will need to continue to work collaboratively with staff, service users and residents in the local area to ensure the best possible design both inside and out.

Our intention is that the design of the new office will enable staff to work in new ways in a building that is fit for purpose. It should enable residents, particularly families and children, to access our services in pleasant, modern spaces and meet our aspiration to treat all residents as we would valued members of our own family. The new building will be an exemplar for the type of changes we want to make across all our frontline services and workplaces.

### **RECOMMENDATIONS**

1. That cabinet note the need to reprovide Sumner House for housing in line with the council's housing policy priorities and as agreed at main planning committee on 28 March 2017.
2. That cabinet confirm 133-137 Queens Road, SE15 2ND (QR4) as the location for service users of our targeted services currently based at Bournemouth Road, Sumner House, 47b East Dulwich Road, St Mary's Road, Curlew House and Talfourd Place, and as an office base for the staff who provide these services.

3. That cabinet authorise officers to undertake the development of the QR4, subject to the council's governance processes for expenditure, procurement and statutory processes such as demolition, planning and consultation.
4. That subject to the agreement to recommendation 2 and 3 above, that capital provision is made for the development of QR4 and that this allocation is incorporated into the council's Capital Programme Refresh Report in February 2018.

## **BACKGROUND INFORMATION**

### **Service context**

5. Southwark Council is committed to offering the best possible service delivery to its residents. In 2013, the customer service centre was brought in-house from an external provider, and a new customer centre for universal services such as housing repairs, waste collection and recycling was opened in Peckham. Peckham is at the heart of Southwark's community, and is also home to the primary My Southwark Customer Service Point, which has 28,000 visits each year. Since the service was brought in-house, further work has been underway to improve and develop the customer access to these universal services through the Southwark web site and the development of 'MySouthwark' on-line accounts for residents. The focus of this work was to improve access to services at a time and location which is convenient to our residents, for high volume, transactional services.
6. This focus on a high quality location for service delivery, based at the heart of the community has not yet been developed in the same way for users of our targeted services such as homelessness, youth offending service and children's social care. These users are some of our most vulnerable, and are often accessing targeted services from a number of different locations, across the borough in buildings which have not been well maintained.
7. The current customer experience for these groups is not in line with the council's fairer future promises. The reception spaces are in need of some refurbishment and are not in a good state of repair. The fundamental design of the customer areas is dated.
8. In addition, these buildings do not provide a conducive working environment for staff, hampering collaborative working and preventing appropriate co-location with colleagues across services. We have already seen the benefits of cross-council working for staff located in our modern buildings in Tooley Street, the Queens Road 1, 2 and 3 buildings and the Peckham Customer Centre and the development of the site at 133-137 Queens Road provides an opportunity to realise these benefits for more of the council's workforce.
9. The development of the building is just one part of the change process and staff will be supported to review and improve their ways of working by optimising their use of technology, and streamlining processes to improve the overall quality of service delivery and the experience for residents. This will include the removal (where appropriate) of paper based, manual processes and eradication of duplication.

### **Strategic direction**

10. A move into a smaller estate for our office accommodation and service delivery buildings is in line with the council's strategic plans. On 1 November 2016, Cabinet

endorsed the strategy in Southwark's Modernisation Programme which outlined how Southwark would become a transformed, forward thinking, dynamic council that effectively embraces modern ways of working in order to better serve our customers.

11. The workplace strategy which was endorsed as part of this proposal included developing the council's office accommodation across a two-centre model by increasing capacity at the Queens Road complex. This development could be seen as the council's 'end game' for its office based estate and a solution for the co-location, consolidation and re-engineering of our customer facing services.
12. The implementation of the council's accommodation strategy will require ongoing review of the council assets to ensure that the best use is being made of our accommodation for service delivery and our office estate. As part of this work, the current usage of Tooley Street and Queens Road 1, 2 and 3 will be monitored so that we maximize the floor space. The two centre model is predicated on flexibility, so that the council can scale back overall accommodation, with the potential to release buildings and make savings in response to changing staff levels and requirements. QR4 provides the council with a core location for public-facing targeted services with a back office which will adopt new and streamlined ways of working. Work is under way to make best use of our current floor space and technology in the other buildings so that they match this efficient usage of space.
13. There are a number of strategic drivers for the approach to our office accommodation:
  - An imperative to make cost savings in our office accommodation estate to support activity to manage the financial pressures which the council faces.
  - A need to use our accommodation in a way which supports our ongoing work to improve service delivery.
  - A need to release or vacate substandard buildings for redevelopment which currently are being used as an access point for services for some of our most vulnerable residents. This will generate a need to accommodate 600 staff elsewhere.
  - That 160 Tooley Street is not designed for, nor has the space to accommodate front-line services and customer access.
14. The need to vacate Sumner House is to allow the site to be considered for housing opportunities and to support regeneration in the area. The Sumner House and Flaxyard (Levitt Bernstein Architects and East Architects) development went to main planning committee on 28 March 2017. The committee granted planning permission subject to completion of s106 agreement. The tenure mix would be as follows: 96 social rent properties; 24 intermediate and 48 for private sale. This imperative means that 300 Children's social care staff will be displaced and will need to move to alternative offices.

### **Establishment of the need for an additional building**

15. An external review was carried out in February and March 2017 to look at all options available for Southwark's office accommodation. The outcome confirmed that a two base model is the right approach with the expansion of Queens Road. The proposal is built on having tested the existing estate capacity (Tooley Street and Queens Road) to establish whether there is a compelling need for an additional building (referred to throughout this report as QR4) located at Queens

Road. This was based on a number of factors including timeframe (both delivery and to meet pressing accommodation needs); the service/client perspective (location and mix of uses); value for money (both overall and reflecting the investment already made in Queens Road) and the council's need for resilience and future flexibility.

16. The options are summarised in the table below.

| Option number and summary                                      | Overview of conclusions following options appraisal   |
|--|---|
| 1. Intensify use of Tooley Street                              | <ul style="list-style-type: none"> <li>• Tooley Street even with significant investment could not accommodate increased numbers</li> <li>• Tooley Street was not designed for the type of services which need to be relocated</li> <li>• Tooley Street is the wrong location for front-facing services.</li> </ul>                                    |
| 2. Serviced Offices  | <ul style="list-style-type: none"> <li>• Becomes expensive for more than a short term fix</li> <li>• Experience has demonstrated more complex/expensive than first envisaged (e.g. IT systems, security)</li> <li>• Serviced offices tend to be in the north of the Borough - in the wrong location.</li> </ul>                                       |
| 3. Development of an additional off-site manufactured building | <ul style="list-style-type: none"> <li>• Using modern construction methods can provide high quality value for money</li> <li>• Consistent with current strategy – two office bases – Tooley Street and Queens Road. Can be bespoke to some extent to meet service requirements</li> <li>• Allows the council to select the right location.</li> </ul> |

### Rationale for the proposed location

17. Having established that there is a need for another building to deliver our services, a thorough review of other options for the development including the utilisation of other existing council buildings has been undertaken. Tooley Street is not suitable for service delivery of the targeted services as described in this report, due to the building design work which would be required to change the layout of the ground floor to provide access to services. The location at London Bridge is less convenient and less accessible, as it is not a residential hub for these user groups. A new office building based in the Southwark community is more accessible for service users and meets the council's desire to provide services within the community that it serves.
18. Work has therefore been carried out to assess where there could be a viable site to accommodate a fourth building near the current Queens Road service buildings. 133-137 Queens Rd, SE15 2ND has been identified as the most suitable and affordable site due to its size and proximity. It is located within the immediate vicinity of the current Queens Road buildings.
19. This location is central to the borough and has a direct rail link about 15 minutes travelling time from Tooley Street. This enables staff to move quickly and easily

between the front line services provided in Peckham and the administrative centre of the council at Tooley Street. It also provides an excellent transport hub including a good bus service, London Overground and Network rail services and a good cycle network for use by service users as well as staff.

20. Southwark's staff travel to and from work from all over London and the surrounding areas, so ease of access to work is a key issue in the recruitment and retention of staff. Southwark's staff have a mobility clause in their contract, and their work would continue in QR4, so this move in location would not lead to a redundancy situation for our staff groups based in the buildings which are proposed for closure and would be subject to consultation in line with the council's policies and procedures.
21. The services in scope for relocation to Queens Road support some of our most vulnerable residents. These include fostering and adoption, youth offending and homelessness services. 133-137 Queens Rd, SE15 2ND could be redesigned for public access and use by these services. More than 600 staff deliver these services, which currently receive more than 1000 visits per week.
22. The property at 133-137 Queens Road is owned by Southwark. It had been leased to the Camden Society for use as a day centre for people with learning disabilities. The council considered a report at Cabinet on 31 October which agreed the creation of a disability hub at other locations in the borough. This means that the 133-137 Queens Road SE15 2ND site becomes available and the council has to consider the future of this site in order to make best use of its assets.

#### **Governance for this programme**

23. Given the complexity and the impact of this work, a specific governance structure has been set up to oversee this programme, see Appendix 1.
24. The appropriate governance around expenditure, procurement and statutory processes such as demolition, planning and consultation will be in line with the council's agreed approach for schemes of this size and complexity. The Board will control the progress of the project by regular reports from the office accommodation delivery team. Gateway reporting will follow contract standing orders and be considered by the housing and modernisation DCRB and CCRB (where required).

#### **KEY ISSUES FOR CONSIDERATION**

##### **Opportunities offered by the development of QR4**

25. The further development of a two centre accommodation strategy based at Tooley Street and Queens Road, Peckham has a number of benefits. By concentrating staff and services in two centres the council is able to achieve efficiencies by reducing the number of properties (some of which are in a poor condition of repair or unsuitable) it has to run and maintain. It is also able to sell properties it no longer needs to raise money to uphold essential services in a time of significant budget pressures.
26. There are a number of opportunities to increase occupation levels in existing buildings and reduce the number of satellite sites by fully developing the two centre model. The development of a new building at QR4 offers an opportunity to bring together related services within housing, adults' and children's into a single site, bringing them into the council's flexible accommodation model and offering



the advantages of co-location and access to modern ways of working to those services. The office space is calculated at a 5.5:10 desk ratio.

27. This will improve the customer experience and further reduce the need to visit a number of receptions at different locations in the borough by consolidating and maximising the use of the various front facing meeting spaces.
28. A new building significantly enhances the experience for staff and service users through the design and use of space in a new building. This has been understood through consultation and engagement with staff and service users to work through their needs and how the building can support the ways that they provide and receive services.
29. This process of workplace design is underway through consultation and workshops with staff and service users from across all services. The process will ensure the new model of office accommodation meets the requirements of all staff, services and customers, yet remains flexible and generic enabling it to adapt as needed to changing demands.
30. In order to understand whether this site at 133-137 Queens Road SE15 2ND would be a suitable location, feasibility studies have been carried out. The outcomes of the studies are set out in the following paragraphs.

#### **Outcome of the feasibility study for the site**

31. The construction of QR4 will allow us to embed new ways of working in a building that is not only fit for purpose, but enables service users to engage with Southwark council in a way that reflects the changing needs of the borough.
32. Subject to approval, the building at QR4 will be constructed using off-site manufacturing techniques. This ensures a quality built product delivered to faster time scales at a guaranteed cost. In addition, an off-site manufacturer will design a bespoke offering that is flexible to meet any future changing needs in the office configuration or front of house service needs. Detailed consideration of service user needs have been incorporated into the detail of the design of the building, enabling real change in the service delivery from the building.
33. Facilitating the right environment for both residents and service users is essential and therefore requires extensive engagement with local residents in the affected area, service users and our Southwark staff. Not underestimating the impact on the local community is paramount and therefore consultation on options will be carried out before a full planning application is submitted for the new building. This will give local residents and businesses the opportunity to influence the design and to address any concerns they may have.
34. The feasibility study has considered the size and siting of the building on the existing site and how we can best avoid any detrimental visual impact for neighbouring properties. The preferred option is for a three-storey building to Asylum Road reducing to a two-storey building on Queens Road. It is proposed that the main public entrance will be on Queens Road and (if needed) supplementary entrances for out of hours use accessed from Asylum Road. The review of landscaping and parking for pool cars has yet to be fully determined but it is expected that a minimum of 5 pool car bays will be provided.

35. The initial discussions around the exterior of the building are focusing on ensuring that it is safer by design, with good lighting and CCTV to ensure the safety of service users and residents. The entrance will be designed to accommodate those waiting to enter in the morning to access services in a way that avoids waiting on the pavement and being exposed to the weather conditions. Security will be considered across the Queens Road campus.

**Outcome of the feasibility study: impact on staff and services**

36. In order to develop a feasibility design brief for QR4 the council have commissioned Tilt, an experienced design and architecture practice, who have previously worked with other London councils.
37. Tilt started the process by carrying out an 'as-is' review to build a detailed picture of requirements. They conducted a series of one to one interviews with key stakeholders from strategic directors to front line service staff, a thorough space audit of existing sites testing their current usage; on-site studies, observation and discussions; a workplace survey and workshops with a cross section of staff and partners. These studies included services delivered from Queens Road 1, 2 and 3 to ensure that the design of QR4 took into account the whole campus and its customers. Reception staff across the current buildings held a workshop to consider the various needs of customer groups and how they can be greeted and provided with discrete and appropriate waiting areas.
38. The co-design workshops will support the process of bringing the services together under one roof and exploring how they can work better together to serve customers/clients. These workshops have looked at detailed customer journeys and creating the right experience for customers and of staff and a building that supports them to create a workplace model that moves beyond rows of generic desk spaces, and some support spaces. Further engagement continues with service users and staff to make sure that the building is designed to deliver their requirements.
39. The resulting design brief will deliver a workplace that is:
- User focused – a pleasant environment for everyone regardless of their age, ability or status in life and providing clear and easy access to services while encouraging full usage and efficiency of space and designing out stressful and anxious situations.
  - Responsive – spaces that are able to respond to a variety of potential changes in use such as adjustable and multi-use contact spaces and a mobile working environment creating positive interaction exchange between people from different settings and cultures.
  - Socially responsible – creating trust in the service provision, educating people in the council's values and fostering a sense of pride in the community while promoting social values like inclusivity and cross cultural collaboration.
  - Healthy – promoting healthy lifestyles and wellbeing through cycle storage, shower facilities and encouraging stair use.

### Initial affordability assessment

40. The development of QR4 could make it possible to release for redevelopment or disposal the following sites of significant disposal value:

- Sumner House
- Curlew House
- Talfourd Place
- Bournemouth Road
- St Marys Road

41. The development would also provide accommodation for:

- services currently at 47b East Dulwich Road which will have to be vacated by December 2018 or soon afterwards.
- front facing No Recourse to Public Funds services from Taplow when that building is redeveloped between 2018-2020 as part of our wider regeneration programme.
- services which are currently based in other council buildings if synergies through service co-location or to meet the council's strategic requirements were identified.

42. Indicative costings that inform the business case are set out in the table below:

| <b>Buildings in scope</b> | <b>Capital receipt</b> |
|---------------------------|------------------------|
| 47b East Dulwich Road     | -                      |
| Curlew House              | £2.25 m                |
| Talfourd Place            | £1.5 m                 |
| 18 St Mary's Road         | £1.5 m                 |
| Bournemouth Road          | £3 m                   |
| <b>Total</b>              | <b>£8.25 m</b>         |

43. It is important to note that while Sumner House is valued at £12m, this has been allocated for a transfer of land value into a regeneration scheme for affordable housing. These funds benefit the council but will not be accounted for as part of this project. A corresponding allocation will be made for this project from the capital programme.

44. In addition, it should be remembered that the council will obtain a substantially better asset in place of those buildings being vacated in addition to being able to offer a significantly better environment for staff and service users.

45. Should the buildings listed above remain in use, then the council would need to find funds for backlog maintenance, compliance and accessibility works, greening and refurbishment of existing buildings if current arrangements were extended. These significant costs, of £5.09m are not currently included within the council's revenue budget or approved capital programme (These are broken down as Bournemouth Road £2.4m; Curlew House £120k; Sumner House £2.4m and Talfourd Place £170k).

46. The costs incurred to January 2018 for the feasibility study will be £299k. This covers the costs of the feasibility study, surveys, the space planning consultant and the development of proposals for the demolition and site clearance.
47. The feasibility study estimated cost for the development is circa £10m for the construction of the new building which is based on proposal for a Gross Internal Floor Area of 4,325m<sup>2</sup>. This includes associated costs for design fees and relevant surveys in order to enable the planning approvals (for demolition and construction) for the new development. Site clearance, demolition and initial groundworks and fit out of the building are approximately £4m. Until the brief for the internal fit out of the building is fully confirmed and the planning implications are known then there is a risk that these costs may be subject to change. It is proposed to de-risk the construction programme by having a separate demolition contract, so that any unknown ground conditions can be addressed at an early stage. There will be an additional cost of £200-400,000 to decommissioning our existing buildings. This makes a total cost of £14.4m.

### **Policy implications**

48. The accommodation strategy to develop the Queens Road Campus supports our overall priority to be a council that is fit for the future, as set out in the refreshed council plan 2014-18. The delivery of the programme is set out in the respective workforce, workplace and IT strategies.

### **Community impact statement**

49. Two Equality and Health analyses have been carried out – the first around the impact on service users whose services will move from their current buildings into QR4 and the second on staff who will move into QR4. Detailed data and evidence is collated on the impact on people with protected characteristics who will access services from the building. The council takes its equality duty seriously as a requirement of all major projects to conduct impact analyses.
50. The buildings (as detailed in this document) from which our service users are currently accessing support from the council are outdated, do not have the best access and are not making the best use of the space available. A new building would be designed in discussion with staff and service users to create appropriate, welcoming and accessible service user spaces as well as flexible and modern working spaces. These would be designed through detailed consultation and engagement with both service users and staff.
51. The equality and health analysis carried out on the Modernisation programme in November 2016 reported that with an increasingly diverse range of employees, customers and partners accommodated by inflexible space, our existing buildings are not being used to their full potential. The council requires a more flexible workplace that can perform multiple functions, promote collaboration, encourage partnership working and are adaptable to future requirements.
52. It is worth noting that it is likely that a large proportion of our workforce could use this building over time, and it was recognised by the Equality and Diversity Panel, early in the council's modernisation story as far back as 2007, that for some staff with a disability the opportunities for greater flexible working would be beneficial. The further development a modern and flexible working environment allows the council to offer substantially more staff the opportunity to work in such an environment.

## **Resource implications**

53. Paragraphs 40 to 47 set out the resource implications of this project. It is worth noting that the proposals will cause the existing portfolio of older buildings to be replaced with a new, modern facility that is better suited to accommodating staff, modernising the organisation.

## **Consultation**

54. Facilitating the right environment for both residents and service users is essential and will therefore require extensive engagement with local residents in the affected area, service users and our Southwark staff. Consultation has been undertaken with key stakeholders, from strategic directors to front line service staff, including detailed engagement with reception staff. Partners who currently use the existing buildings have been consulted. Workshops with staff and service users from across all services will continue. Consultation on options will be carried out before a full planning application is submitted for the new building. This will give local residents and businesses the opportunity to influence the design and to address any concerns they may have.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Director of Law and Democracy**

55. This report seeks the cabinet's approval to a number of recommendations in relation to the office accommodation strategy for QR4. In considering these recommendations, the cabinet should have regard to the council's general duty of best value, and to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. Paragraphs 25-39 set out the key considerations in seeking approval to these arrangements.
56. At this stage there are no specific legal implications. The procurements to be undertaken for the development of QR4 will be subject to the EU procurement regulations and the council's contract standing orders. Advice will be given on the gateway reports as the project progresses.
57. The Cabinet's attention is drawn to the Public Sector Equality duty (PSED General Duty) under the Equality Act 2010, and when making decisions to have regard to the need to (a) eliminate discrimination, harassment, victimisation or other prohibited conduct, (b) to advance equality of opportunity and (c) foster good relations between persons who share a relevant protected characteristic and those who do not share it. The relevant characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion, or belief, sex and sexual orientation. The duty also applies to marriage and civil partnership but only in relation to (a). The Cabinet is specifically referred to the community impact statement at paragraphs 49-52, setting out the consideration that has been given to equalities issues. Paragraph 49 of the report advises that a documented equality analysis has been carried out as part of the requirement to have due regard to the PSED General Duty in these recommendations. Cabinet must read the documented equality analysis (see background documents) and should satisfy itself that the PSED General Duty has been complied with when considering these recommendations.

58. The Cabinet is also referred to paragraph 54 which sets out the consultation that has taken place, and that proposed to be undertaken. To meet legal requirements, consultation must be undertaken when proposals are still at a formative stage, must be meaningful, including sufficient reasons for the proposal and allow adequate time for consideration and response. The outcome of the consultation must be conscientiously taken into account when considering these recommendations and when decisions are made throughout the life of the project.

#### **Strategic Director of Finance and Governance (H&M17/076)**

59. The Strategic Director of Finance and Governance notes the contents of the report, in particular the imperative to vacate the Sumner House site to facilitate the provision of new council housing as part of the Southwark Regeneration Partnership Programme (SRPP). Furthermore, this proposal would enable the wider development of new office accommodation at Queens Road for the co-location, consolidation and re-engineering of customer facing council services, in line with the workplace strategy for a two-centre model approach.
60. The rationale for and operational benefits of this proposal are outlined in the report and would enable the closure and disposal of a number of existing buildings, which are beyond their economic life and no longer fit for purpose from both a staff and service user perspective and unable to support the council's modernisation agenda.
61. The council owned sites (which comprise both general fund and HRA) have an indicative value of £8.25m and disposal would generate a capital receipt for the council's capital programme. Capital receipts are not generally earmarked for specific projects and go in to the corporate resource pool to finance the wider general fund capital programme, which is significantly over-committed as previously reported. Funding will therefore need to be agreed by cabinet at the earliest opportunity.
62. Preliminary estimates for demolition, design, configuration and fit-out of the new facility and decommissioning of existing buildings and relocation of staff is c. £14.4m predicated on accommodating c. 600 staff on a 5.5:10 ratio. This figure contains a contingency sum of £0.8m but remains subject to a +/- 10% tolerance and there are a number of exclusions (risks) which could arise once the site is cleared.
63. Indicative operating costs predicated on the basis of QR1, which is the closest comparator available (albeit half the size), is £1.4m, some £0.2m higher than the existing revenue budget provision. Subject to approval, it would be necessary to ring-fence existing departmental accommodation budgets for the new facility and ensure they are not taken as part of the annual budget setting process. As the programme moves forward and key milestones met, the financial implications will be refined and reported to Cabinet.
64. Changes derived from the new accommodation and modern ways of working are expected to deliver cashable savings at a departmental level from efficiencies and improvements in service delivery through co-location and integration and enhance the experience for both service users and staff. Moreover, it should be viewed in the wider context of the council's overall office accommodation strategy, particularly the potential down-stream benefits of being able to rationalise the council's operational and administrative estate still further and deliver even greater revenue savings going forward.

## Head of Procurement

65. The report notes that Gateway reports will be considered by the the departmental and corporate contract review boards (DCRB and CCRB) as required by contract standing orders. The procurement team will provide ongoing advice and support as necessary for this project.

## BACKGROUND DOCUMENTS

| Background Papers   | Held At   | Contact   |
|---|---|---|
| Accommodation Strategy (QR4) EHIA for staff   | Housing & Modernisation, Organisation Transformation<br>160 Tooley Street<br>London SE1 2QH | Chigozie Okeke<br><br>chigozie.okeke@southwark.gov.uk |
| <b>Link:</b><br><a href="http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=5753&amp;Ver=4">http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=5753&amp;Ver=4</a> |   |   |
| Accommodation Strategy (QR4) EHIA for service users   | Housing & Modernisation, Organisation Transformation<br>160 Tooley Street<br>London SE1 2QH | Chigozie Okeke<br><br>chigozie.okeke@southwark.gov.uk |
| <b>Link:</b><br><a href="http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=5753&amp;Ver=4">http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=5753&amp;Ver=4</a> |   |   |

## APPENDICES

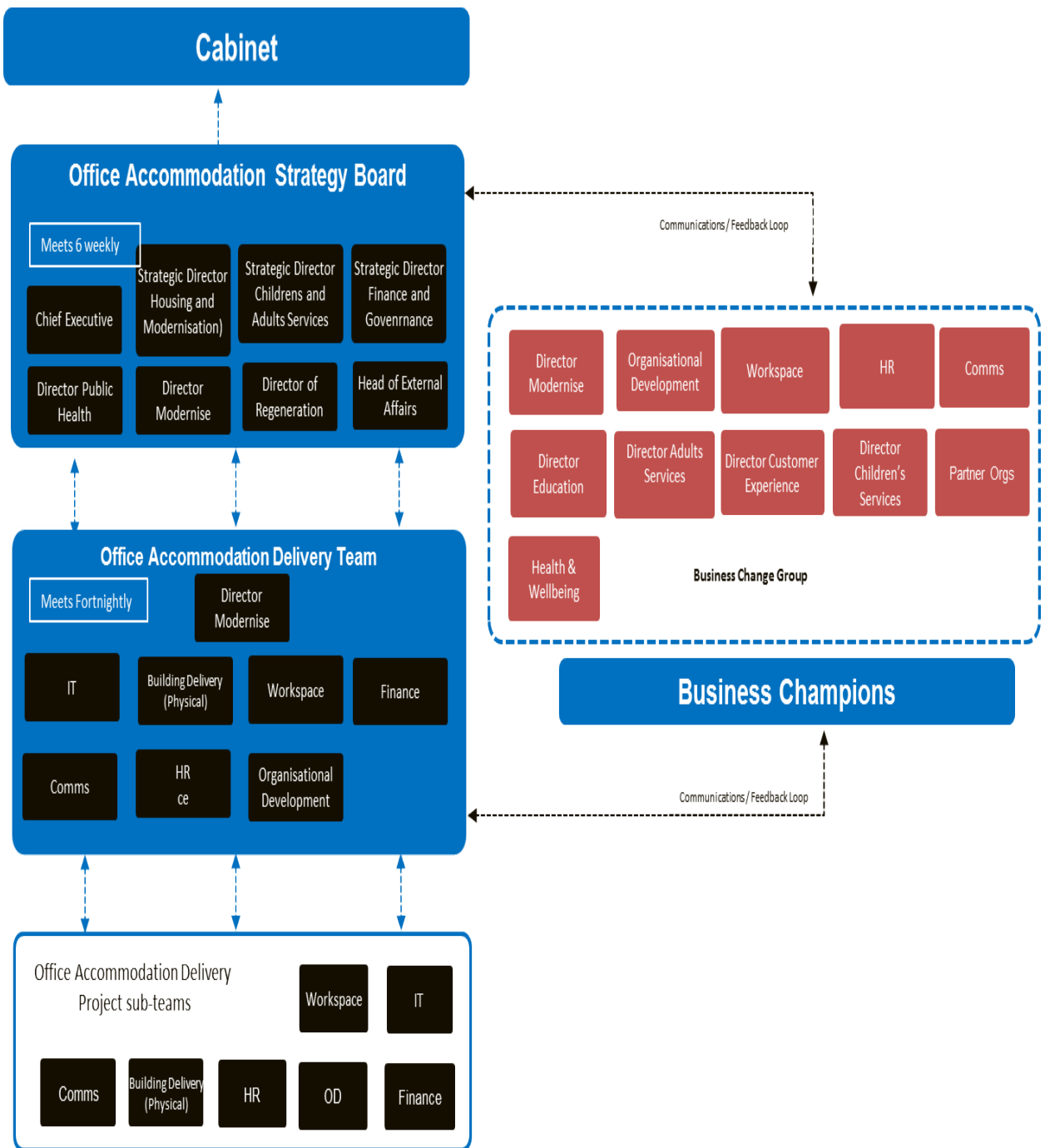
| No.        | Title                                   |
|------------|---|
| Appendix 1 | Governance structure for this programme |

## AUDIT TRAIL

|   |   |                          |
|---|---|--------------------------|
| <b>Cabinet Member</b>   | Councillor Fiona Colley, Finance, Modernisation and Performance |                          |
| <b>Lead Officer</b>   | Gerri Scott, Strategic Director of Housing and Modernisation    |                          |
| <b>Report Author</b>  | Emma Marinos, Director of Modernise                             |                          |
| <b>Version</b>  | Final   |                          |
| <b>Dated</b>  | 30 November 2017  |                          |
| <b>Key Decision?</b>  | Yes   |                          |
| <b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b> |   |                          |
| <b>Officer Title</b>  | <b>Comments Sought</b>  | <b>Comments included</b> |
| Director of Law and Democracy   | Yes   | Yes                      |
| Strategic Director of Finance and Governance                            | Yes   | Yes                      |
| <b>Cabinet Member</b>   | Yes   | Yes                      |
| <b>Date final report sent to Constitutional Team</b>                    | 30 November 2017  |                          |



**Governance structure for this programme APPENDIX 1**



|                                    |                                |  |                                 |
|------------------------------------|--------------------------------|--|---------------------------------|
| <b>Item No.</b><br>16.             | <b>Classification:</b><br>Open | <b>Date:</b><br>12 December 2017   | <b>Meeting name:</b><br>Cabinet |
| <b>Report title:</b>               |                                | Southwark Council's Buy-Back Offer for Ledbury Towers Leaseholders       |                                 |
| <b>Ward(s) or groups affected:</b> |                                | Livesey Ward   |                                 |
| <b>From:</b>                       |                                | Councillor Stephanie Cryan, Deputy Leader and Cabinet Member for Housing |                                 |

### **FOREWORD BY COUNCILLOR STEPHANIE CRYAN, DEPUTY LEADER AND CABINET MEMBER FOR HOUSING**

Following the tragedy of the Grenfell Tower fire, Southwark took action to check that its tower blocks were fully compliant with current fire regulations. That included the four tower blocks on the Ledbury Estate; Bromyard House, Peterschurch House, Skenfrith House and Sarnsfield House.

Residents of those tower blocks told us about concerns with some cracks appearing in their homes. Arup, a structural engineering company, were engaged to inspect the cracks and advise on what that meant for the buildings and the safety of residents. Their interim report concluded that the cracks could compromise the compartmentalisation of the buildings and have an impact on fire safety. It also concluded that the buildings could be affected by a catastrophic event, such as a gas explosion.

Following receipt of that interim report the council took the decision to turn off the gas supply to the buildings. Since then efforts have been made to restore heating and hot water facilities to the blocks and put measures in place to mitigate the fire risks. A temporary district heating system has been installed for each of the four tower blocks. Heating and hot water was restored to all of the flats by 16<sup>th</sup> October. There are fire wardens stationed in each of the four blocks and the stay put policy in the event of fire has been suspended and there is an immediate evacuation policy in place.

This is a unique situation and the council ensured to reassure residents of the steps being taken to manage their concerns, but quite understandably, some residents did not feel safe and wanted to move. Some residents took up offers of temporary accommodation while the work to install the heating and hot water solution was carrying on. Others were, and are, seeking a longer term move away from the towers.

This report provides a buy-back offer for the 33 leaseholders who may feel that their future no longer lies in the towers. The offer to buy back leaseholder's properties will remain open while the future of the towers is being considered. Arup have produced a second and fuller report which provides additional information on the state of the blocks. The council and residents will need to consider that report carefully and draw conclusions on the viability of the blocks and how best to proceed. In the meantime, this report recommends a mechanism for handling properties which leaseholders would prefer sell back to council.

## **RECOMMENDATIONS**

1. That cabinet notes the proposed policy to allow the buy-back of leaseholder properties in Ledbury Towers (Bromyard House, Peterschurch House, Skenfrith House and Sarnsfield House), which are currently the subject of structural investigations.
2. That a detailed financial assessment of the Ledbury buy-back offer is undertaken, funding is identified and delegated authority for individual buy backs be given to the Director of Regeneration.

## **BACKGROUND INFORMATION**

3. The current situation relating to the four tower blocks on the Ledbury Estate appears to be unprecedented. Following the tragedy of Grenfell Tower, the council carried out extensive fire risk assessments on all high rise blocks (those over 7 stories). At the four high rise blocks on the Ledbury estate it was identified that due to the construction/design and age of the blocks, the compartmentalisation of the flats could be compromised in the event of fire, so compromising the safety of residents.
4. Structural engineering experts Arup have been employed to carry out investigations into the block and a full report has recently been received (20th November 2017). Following an interim report in August however it was reported that should a gas explosion occur in one of the towers, it might lead to significant damage and compromise the structural integrity of the building. The safety of residents is paramount and the decision was made to switch off the mains gas supply to the building immediately. The council provided temporary hot water with the installation of an immersion heater and a longer term heating and hot water solution has now been installed. Until the content of the most recent Arup report has been considered, there is presently no indication of what other works, if any, the blocks might require. It is however anticipated that further extensive major works will be required leading to longer term disruption for all residents of the four blocks. The conclusions of the report will also be the subject of detailed consultation with residents.
5. The council recognises the potential short, medium and long term disruption to all residents of the blocks. It is proposed that for those leaseholders who would wish to leave the Ledbury Towers, a buy-back offer should be put in place. This would help alleviate the situation for those residents and provide void properties for Arup to continue their investigations and enable remedial works to be carried out where that is necessary. It would also deliver additional properties for the council's tenanted stock once any necessary major works have been completed. This would be an offer entered into voluntarily by both the council and the leaseholders and should be viewed as an offer being made under exceptional circumstances. It should also be noted that should the estate be subject to regeneration, this offer will be revised in accordance with the buy-back offer made on other council regeneration sites.

### **Buy back proposal advantages**

6. The advantage of offering to buy back leaseholder properties is that it demonstrates the council's commitment to treating leaseholders fairly and

equally and is tenure neutral in its support for residents in such circumstances. It also gives leaseholders genuine choice in extraordinary circumstances.

7. The proposal would also have the advantage of providing vacant dwellings that could be used as part of any future decant programme.

#### **Buy back proposal possible disadvantages**

8. The financial implications of the buy back offer will impact the HRA. The implications have been provided elsewhere in the report. Based on the numbers of home owners who have expressed a wish to sell however, it is not anticipated that the number will be high.

#### **Buy back offer**

9. Ledbury Towers has 33 leaseholders made up of both resident and non-resident home owners.

#### **Leaseholder composition**

| <b>Block</b>       | <b>No. of resident leaseholders</b> | <b>No. of non-resident leaseholders</b> |
|--------------------|-------------------------------------|---|
| Bromyard House     | 3                                   | 3                                       |
| Peterschurch House | 4                                   | 3                                       |
| Skenfrith House    | 5                                   | 5                                       |
| Sarnsfield House   | 4                                   | 6                                       |
| <b>Total</b>       | <b>16</b>                           | <b>17</b>                               |

10. Southwark has existing policies in place to buy back leaseholders' homes where they are experiencing exceptional financial hardship and are living on a regeneration scheme. At present however there is no policy buy-back policy in place for any other circumstances. This report sets out the terms of the proposed offer to leaseholders in the Ledbury Towers. Carter Jonas, external valuers, have been engaged to carry out valuations on those properties where the owner has expressed an interest in selling.

#### **Leaseholder buy back offer**

11. Southwark will offer to purchase a property based on an independent open market valuation by Carter Jonas. We have given a commitment that the valuation will be based on the condition of the property and block prior to the identification of structural defects. Leaseholders will also be invited to appoint their own surveyor to act on their behalf and to agree the value of the property through negotiation with Carter Jonas. The council will pay all reasonable fees of the leaseholder's surveyor.
12. The offer will remain open throughout the 'life' of any short medium or long term solution to address the issues of the blocks and leaseholders will be notified in

advance of the scheme coming to an end.

13. The financial package available for resident and non resident leaseholders differs. In line with the Compensation Code (which applies to the buy-back of properties impacted by regeneration schemes) we will offer a 10% uplift on the agreed open market valuation for resident leaseholders and 7.5% uplift for non-resident leaseholders. The proposal to offer uplift is consistent with similar buy-back offers.
14. For resident leaseholders, we will provide additional financial assistance by compensating the costs related to their move including;
  - the fees of Carter Jonas and their own independent surveyor
  - both Southwark council's and the leaseholder's reasonable legal fees including stamp duty on the purchase of any new property
  - mortgage redemption fees where necessary and appropriate
  - removal costs.
15. For non resident leaseholders, we will provide financial assistance by paying incidental costs including;
  - the fees of Carter Jonas and their own independent surveyor
  - Southwark council's legal expenses and the leaseholder's reasonable legal fees including stamp duty to the value of the leaseholder's existing property.
16. If a leaseholder has purchased through the right to buy scheme and would ordinarily be required to pay back the discount in part or in full, they will not be required to repay the discount.

### **Financial Implications**

17. It is difficult to estimate the likely cost of the buy back offer as this will be determined by the numbers who actually wish to sell. Of the thirty three leaseholders at Ledbury Towers, 14 have expressed an interest in having their property valued so far. It is unlikely however that all of these would convert to a sale.
18. The market value of each property will differ depending on its internal condition and the size and location of the property. The value will also be reflected in the costs, for example the amount of stamp duty paid.
19. Additional costs incurred by the council are difficult to establish until each individual valuation has been carried out. However we estimate between £35,000 - £45,000 based on existing buy back programmes.

### **Comparative data**

20. There are 14 three bed units, 14 two bed units and 5 one bed units owned by leaseholders. The last three sales were:

|               |                |              |       |
|---------------|----------------|--------------|-------|
| 45 Sarnsfield | Value £200,000 | Sold 4/3/17  | 2 bed |
| 28 Sarnsfield | Value £200,000 | Sold 23/2/17 | 2 bed |
| 55 Skenfrith  | Value £250,000 | Sold 3/3/16  | 3 bed |

Should all thirty three leaseholders choose to purchase alternative property the buy back offer could be over £10 million. This would be funded from the Housing Investment Programme in whatever year the acquisition occurs. A provisional sum of £10m has been identified in the existing programme. We will seek to identify our likely spend profile in this and next year given that there is an ever increasing resource gap which may require borrowing to fund it.

### **Community Impact statement**

21. The buy back offer seeks to redress the imbalance of how as a landlord, we distinguish support between tenants and those who buy their homes. An Equalities Impact Assessment to support the recommendation has been provided with the report.

### **Effect of proposed changes**

22. Whilst the buy-back offer is proposed to offer support to leaseholders it does also enable increase the number of vacant properties which would support any potential future decant programme. It should be highlighted again that the extraordinary circumstances at Ledbury Towers is the reason for the recommendation to proceed with the buy back offer.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Director of Law and Democracy**

23. Section 120(1) of the Local Government Act 1972 (“the 1972 Act”) authorises the Council to acquire any land by agreement for the purposes of a) any of its statutory functions or b) for the benefit, improvement or development of its area. By virtue of Section 120(2) of the 1972 Act the Council may acquire by agreement any land for any purpose for which they are authorized by the 1972 Act or any other act to acquire land, notwithstanding that the land is not immediately required for the purpose; and, until it is required for that purpose, it may be used for the purpose of any of the Council’s functions.
24. There are therefore sufficient legal powers available to the council to purchase these properties.
25. The acquisition of property for a price in excess of £100,000, outside any scheme already agreed by members, is a matter reserved to Cabinet pursuant to Part 3C of the Council’s constitution. It is intended that the acquisition of properties in Ledbury Towers pursuant to this report be treated as a “Scheme” for the purposes of the Constitution, and that authority for individual purchases is delegated to the Director of Regeneration.
26. The Equality Act 2010 requires the council in the exercise of its functions to have due regard to the need to:
- a) eliminate discrimination;
  - b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and

- c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
27. Relevant protected characteristics for the purposes of the Equality Act are :
- Age
  - Civil partnership
  - Disability
  - Gender reassignment
  - Pregnancy and maternity
  - Race
  - Religion or belief
  - Sex and sexual orientation.
28. In making the offer to buy back leaseholders' properties, Southwark council must have due regard to the possible effects of such a policy on any groups sharing a protected characteristic in order to discharge its public sector equality duty. Where any disproportionate impacts are noted, the council should consider whether any steps can be taken to mitigate those impacts.
29. The report notes the Equalities Impact Assessment undertaken.

**Strategic Director of Finance and Governance (H&M17/074)**

30. This report sets out the council's proposed policy for buying back leasehold properties specifically in Ledbury Towers and the strategic director of finance and governance notes the exceptional reasons noted in paragraphs 3 to 5 which give rise to this need.
31. The strategic director of finance and governance also notes that the proposed buy back offer, while consistent with existing policies to buy back leasehold properties for people facing exceptional financial hardship and those affected by regeneration schemes, applies only to leaseholders in Ledbury Towers. This is due to the extraordinary situation and the complexity of the works required.
32. At this stage, the full cost of the offer is not known because the council is not certain of the number of leaseholders intending to take up the buy back offer, nor the value of the properties and additional costs, but is expected to be in the region of £10m. This amount has been provisionally set aside in the Housing Investment Programme and is expected to be financed from a combination of Right To Buy receipts and other sources of funding, including borrowing.

**Consultation**

33. The offer to buy back has been a direct response to concerns raised from leaseholders collectively and individually as demonstrated in the fourteen current expressions of interest. Also public meetings have been held for residents and

subsequently for leaseholders where they have urged the council to create the policy and subsequent procedures to actively start the process.

## BACKGROUND DOCUMENTS

| Background Papers | Held At | Contact |
|-------------------|---------|---------|
| None              |         |         |

## APPENDICES

| No.  | Title |
|------|-------|
| None |       |

## AUDIT TRAIL

|   |  |                          |
|---|--|--------------------------|
| <b>Cabinet Member</b>   | Councillor Stephanie Cryan, Deputy Leader and Cabinet Member for Housing |                          |
| <b>Lead Officer</b>   | Gerri Scott, Strategic Director of Housing and Modernise                 |                          |
| <b>Report Author</b>  | Richard Selley, Director of Customer Experience                          |                          |
| <b>Version</b>  | Final  |                          |
| <b>Dated</b>  | 29 November 2017   |                          |
| <b>Key Decision?</b>  | No   |                          |
| <b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b> |  |                          |
| <b>Officer Title</b>  | <b>Comments Sought</b>   | <b>Comments included</b> |
| Director of Law and Democracy   | Yes  | Yes                      |
| Strategic Director of Finance and Governance                            | Yes  | Yes                      |
| <b>Cabinet Member</b>   | Yes  | Yes                      |
| <b>Date final report sent to Constitutional Team</b>                    | 1 December 2017  |                          |



|                                    |                                |  |                                 |
|------------------------------------|--------------------------------|--|---------------------------------|
| <b>Item No.</b><br>17.             | <b>Classification:</b><br>Open | <b>Date:</b><br>12 December 2017   | <b>Meeting Name:</b><br>Cabinet |
| <b>Report title:</b>               |                                | Ledbury Estate – Arup Structural Survey Report                           |                                 |
| <b>Ward(s) or groups affected:</b> |                                | Livesey  |                                 |
| <b>Author:</b>                     |                                | Councillor Stephanie Cryan, Deputy Leader and Cabinet Member for Housing |                                 |

**FOREWORD - COUNCILLOR STEPHANIE CRYAN, DEPUTY LEADER AND CABINET MEMBER FOR HOUSING**

In June, following a public meeting about fire safety, the council became aware of cracks appearing in homes in the Ledbury Estate tower blocks which have been caused by the thermal movement of the large concrete panels that make up the construction of the blocks. This widespread cracking has led to the breakdown of compartmentation of fire safety. The council asked Arup, a structural engineering company, to check both the structural integrity of the four tower blocks and the capacity of the blocks to withstand disproportionate collapse. The four tower blocks were constructed by Taylor Woodrow Anglian (TWA) and are of a similar design to Ronan Point where a gas explosion in 1968 resulted in disproportionate collapse of the building and the death of four residents.

In August we took the decision to terminate the gas supply to the four tower blocks following concerns that the blocks would not be able to withstand a gas explosion and would be at risk of disproportionate collapse. An interim report was brought to Cabinet on 19 September 2017.

Arup were asked to do further checks and inspections to look at whether the requisite strengthening works highlighted after the Ronan Point tragedy in 1968 had been carried out and we received the full report from Arup on 20 November which concluded that these the blocks had been built without the correct strengthening measures in place.

This report asks cabinet to note that the council received the report from Arup on 20 November 2017. The report was published on the Ledbury page of the Council’s website the same day; and a summary was delivered to each home the following day. A public meeting was also held on 23 November with residents where a presentation from Arup was received.

The report concludes that the structure of the building is in good condition and that it meets wind loading requirements. However, in order to comply with the BRE and DCLG recommendations on the prevention of disproportionate collapse, strengthening works are required.

A Resident Project Team, with an independent Chair, has been established for the blocks and they will be working with the council on the scope of works required and the options on which residents will be consulted on in respect of the future of their homes. We very much believe that the residents of the Ledbury tower blocks should have a say in the future of the blocks.

I would like to thank all of the residents in the tower blocks for their continued patience and support whilst we are working to resolve the problems with the structure of the buildings.

### **RECOMMENDATION**

1. That cabinet notes the content of this report; the draft key stages that officers are working through with the Ledbury Resident Project Team; and receives a further report setting out the outcome of the resident consultation on the options appraisal process.

### **BACKGROUND INFORMATION**

2. Arup was appointed by Southwark Council to carry out a structural engineering assessment of the four 14-storey high tower blocks on the Ledbury Estate in Peckham.
3. This report provides a summary of the Arup report called "Ledbury Estate: Structural Assessment of Bromyard, Peterchurch, Sarnsfield and Skenfrith House" dated 20 November 2017.

### **Description of the buildings**

4. There are four tower blocks on the Ledbury Estate: Bromyard House, Peterchurch House, Sarnsfield House and Skenfrith House.
5. All of the blocks are 14 storeys high and 'H-shaped'. In every block there are four flats per floor; two flats on both sides of the stairwell and lifts in the middle.
6. In Skenfrith House and Peterchurch House, half of the flats have one bedroom and half have three bedrooms. In Sarnsfield House and Bromyard House, the bottom five storeys have one bedroom and three bedroom flats, and above this, all flats have two bedrooms.
7. The four 14-storey tower blocks on Ledbury Estate were built between 1968 and 1970. They were built and owned by the Greater London Council and then passed on to Southwark Council in the 1980s.
8. The floors and walls were made out of concrete panels which were made in a factory, and delivered to Ledbury "flat packed" on lorries. These panels were then lifted into place and connected together to make the overall building structure.
9. Each floor panel is supported by two walls, one at each end of the floor panel.
10. In the flats, there are three main types of wall panels. The "flank" walls and internal "cross" walls support the floor slab panels. The other external walls don't need to support the floor slab panels because these are already being supported by the cross walls and the flank walls.
11. The areas containing the lift and stairs in the middle of the buildings are also built from concrete panels.
12. The blocks are of a similar construction to a 22 storey building called Ronan Point, in Canning Town, in the London Borough of Newham.

13. In May 1968, there was a gas explosion in one of the flats on the 18th floor of Ronan Point. The explosion blew out a flank wall panel and as a result, the whole of one corner of the building collapsed. The gas explosion caused much more damage than expected, and so this was called a “disproportionate collapse”.
14. Later that year, the Government issued two documents, which required all LPS blocks over six storeys high that had already been built to be assessed by a Structural Engineer. These assessments were to check whether, if there was another gas explosion like at Ronan Point, would the buildings experience a disproportionate collapse? If any building did not pass this check, either it had to be strengthened, or the gas supply to the building had to be removed. If the gas supply was removed, the buildings still had to be checked but now for resistance to a smaller explosion to reflect the fact that the main gas supply had now been removed. These documents also required buildings to be checked for their resistance to wind. Finally, any LPS building over six storeys high that had not yet been built needed to be built to the new standards set out in these documents.
15. In 2012 the Building Research Establishment and the Department for Communities and Local Government (DCLG) published a guidance document to update the guidance written in 1968. This guidance has been followed in the Arup assessment of the four tower blocks at Ledbury Estate.

## **Structural assessment**

### **Phase 1**

16. In July 2017 Arup was asked by Southwark Council to investigate reports of cracking from residents of the Ledbury Estate.
17. Some of these cracks were up to 30mm wide, some were smaller, and some were understood to change in size depending on how hot or cold it was outside.
18. Arup concluded that the cracks were actually gaps between the separate concrete panels that make up the buildings. None of gaps affected the strength of the buildings. This was explained at the meeting to residents on 11 July 2017.

### **Phase 2**

19. After Phase 1, Arup was asked by Southwark Council to check the structure of the four tower blocks to ensure they could withstand the kind of gas explosion that had happened at Ronan Point in 1968. The reason that this kind of explosion was checked was because the four tower blocks at Ledbury had a piped gas supply.
20. The records of Southwark Council, the Building Research Establishment (BRE) and the original builder were searched, but no information was found from the time when the buildings were built.
21. The London Metropolitan Archives had some basic information. There were receipts for £53,700 of “remedial works” done in 1968-1969, but no further information on what these remedial works were. There was also a note which said the design of the blocks had been changed to meet the requirements of the

Government documents in 1968, but it didn't say how or what exactly had been changed. At that time the blocks were owned by the Greater London Council and not by Southwark Council.

22. A 1985, the British Research Establishment report-'Large panel Systems-the structure of Ronan Point and other Taylor Woodrow-Anglian buildings' named the four Ledbury towers as 'type b' blocks which had been built subsequently to Ronan Point with a different H2 flank wall designed to resist joint forces equivalent to standard static pressure of 5 lbf/in. This gave the council confidence that the necessary strengthening works and been carried out. However, there was not enough information on paper to be certain of how the buildings were built or precisely what "remedial works" had been carried out.
23. The only way to find out more about the structure was to carry out a number of "intrusive investigations". This involved breaking out bits of the concrete structure in the two flats that were vacant at the time. This allowed the team to find out what steel connections and reinforcing bars were hidden inside the concrete, and whether any of the "remedial works" could be seen.
24. From these investigations and from structural calculations, it was found that the buildings were at risk of a disproportionate collapse if there was a gas explosion from the piped gas supply. As soon as this was known in August 2017, Southwark Council decided to remove the piped gas supply to the buildings. This reduced the risk of a gas explosion happening and to that end the gas was disconnected at the four towers on 11 August 2017.

### **Phase 3**

25. Removing the gas supply reduced the risk of disproportionate collapse but did not make the risk go away. BRE guidance states that buildings should be able to experience other types of accidental damage without incurring disproportionate collapse (e.g. vehicle impact, where relevant) and should be able to withstand explosions caused by bottled gas.
26. Arup had to carry out a further assessment of the buildings, again following the guidance set out by the BRE and the Department for Communities and Local Government in 2012.
27. In Phase 2, Arup had investigated the structure in two flats. It was important to determine if the findings from these two flats were the same in other areas. As a result, Arup carried out more intrusive investigations in 19 void flats across all four of the buildings on the Ledbury Estate during October 2017.
28. As well as the risk of disproportionate collapse, Arup also looked at the resistance to exceptionally strong winds, and whether the concrete panels (which are now nearly 50 years old) had deteriorated in any way.

### **Disproportionate collapse**

29. The Arup assessment shows that the buildings are not strong enough to satisfy the BRE guidance for accidental damage to buildings that do not have piped gas and therefore need to be strengthened.
30. Many of the strengthening measures to the concrete walls and floors will require local removal and reinstatement of plaster finishes, floor finishes and floor

screeds, heating pipes, radiators, sanitary ware including baths, and kitchens.

31. The following parts of the four buildings need to be strengthened:
  - Floor units next to flank walls and external wall panels (all levels, all buildings)
  - Cross-walls (including party walls) at upper levels (Level 8 upwards, all buildings)
  - Cross-walls: party walls between one- and three- bedroom flats in Bromyard House and Sarnsfield House
  - Connections between the external wall panels and the floors/internal walls.
32. In the Arup report there are some sketches to give a basic idea of what the strengthening could be and where it would be needed.
33. The report recommended that until such strengthening measures are in place, the use of bottled gas and oxygen cylinders should be banned.
34. This ban has been implemented by the Ledbury officer team and all residents have been advised. In addition the Fire Wardens for each block have also been advised to ensure that no bottled gas or oxygen cylinders are brought into the blocks.

#### **Wind resistance**

35. The Arup assessment showed that there is adequate resistance to wind load.
36. The external wall panels are helping to resist the wind pressures on the building.
37. In order that the external walls continue to help resist the wind pressures, the quality of the joints in the wall panels needs to be maintained and therefore Arup have recommended that these all be inspected and repaired if necessary, for long term resistance to wind loading.

#### **Condition**

38. Tests done on the concrete during the investigations in the flats showed that the concrete and the embedded steel reinforcement are in good condition.

#### **Conclusions of the Arup report**

39. The structural assessment has shown that the buildings need to be strengthened to meet the guidelines for disproportionate collapse for these types of buildings, set by the Building Research Establishment and the Department for Communities and Local Government in 2012.
40. The piped gas supply has been turned off which has removed the main risk that might lead to a disproportionate collapse. The use of bottled gas and oxygen cylinders should also be banned until the strengthening is in place.

#### **The next steps**

41. Following the receipt of the Arup report it was immediately published on the Ledbury page of the Council's website, residents and former residents were

written to and were signposted to the webpage; a summary report from Arup was delivered to all residents and former residents.

42. A public meeting for residents and former residents was held on Thursday 23 November 2017 at the Ledbury TRA Hall where Arup presented their findings. 70 residents attended the meeting.
43. The meeting also received a report setting out the draft key stages of the next steps. In the run up to the meeting, the weekly Ledbury Newsletter had contained articles on the next steps and therefore the draft key stages of the next steps expanded on the information that residents had already been advised of. The draft key stages were also set out in a hand out given to those who attended the meeting on the 23 November, which has also been published on the Ledbury webpage.
44. The Ledbury Towers Resident Project Team was set up in October 2017 and meets monthly. The next meeting will be held on 5 December 2017 and the meeting will consider the draft key stages, brainstorm on both the draft scope of works and how to maximise resident engagement in the two consultation exercises that need to be undertaken. The meeting will also start to look at how residents would like to be involved in the appointment of the Independent Consultant required to carry out the options appraisal process; and to decide on whether to use the current consultants that Southwark Council has available to cost the works, or engage a separate cost consultant.
45. The next key stages that the Resident Project Team will consider at their meeting are set out in Appendix 2 to this report.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Director of Law and Democracy**

46. The report asks cabinet to note the proposed way forward following receipt of the Arup structural survey report on the buildings comprising the Ledbury Estate tower blocks.
47. Section 105 of the Housing Act 1985 requires the Council to consult with those of its secure tenants likely to be substantially affected as a whole or as a group by a matter of housing management which, in the council's opinion as landlord represent a new programme of maintenance, improvement or demolition, or a change in the policy or practice of the council.
48. To meet legal requirements consultation must be undertaken when proposals are still at a formative stage. The consultation must include sufficient reasons for the proposals to allow interested parties the opportunity to consider the proposals and formulate a response; it must allow adequate time for interested parties to consider proposals and formulate their response and the outcome of consultation must be conscientiously taken into account when the ultimate decision is taken on the proposals. The consultation strategy should be reviewed at key stages of development of the proposals.
49. The public sector Equality Duty, in section 149 of the Equality Act 2010, requires the council to consider all individuals when carrying out their functions; this includes delivering services and in relation to their own employees. It requires public bodies to have due regard to the need to eliminate discrimination,

advance equality of opportunity, and foster good relations between different people when carrying out their activities. Officers will need to bear the duty in mind during the consultation process and when formulating recommendations to cabinet for final decision making; members must have due regard to the duty when the matter is referred back to cabinet following consultation.

50. Officers from legal services will provide legal advice, when required, and in relation to any appointments to be made.

#### **Strategic Director of Finance and Governance (H&M17/079)**

51. The strategic director of finance and governance notes the contents of the report and the draft key stages of the next steps. Critical to moving this forward is the appointment of independent consultants to undertake the options appraisal which will inform subsequent decision making. All costs associated with the Ledbury Estate are currently being met from contingency sums within the Housing Revenue Account (HRA) and the Housing Investment Programme (HIP).

#### **BACKGROUND DOCUMENTS**

| <b>Background Papers</b> | <b>Held At</b> | <b>Contact</b> |
|--------------------------|----------------|----------------|
| None.                    |                |                |

#### **APPENDICES**

| <b>No.</b> | <b>Title</b>   |
|------------|--|
| Appendix 1 | Arup report called "Ledbury Estate: Structural Assessment of Bromyard, Peterchurch, Sarnsfield and Skenfrith House" dated 20 November 2017 (circulated separately) |
| Appendix 2 | Ledbury Key Stages - Discussed at the Resident Project Team Meeting on 5 December 2017 (circulated separately)   |

**AUDIT TRAIL**

|   |  |                          |
|---|--|--------------------------|
| <b>Cabinet Member</b>   | Councillor Stephanie Cryan, Deputy Leader and Cabinet Member for Housing |                          |
| <b>Lead Officer</b>   | Gerri Scott, Strategic Director Housing and Modernisation                |                          |
| <b>Report Author</b>  | Mike Tyrrell, Director of Ledbury Estate                                 |                          |
| <b>Version</b>  | Final  |                          |
| <b>Dated</b>  | 30 November 2017   |                          |
| <b>Key Decision?</b>  | No   |                          |
| <b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b> |  |                          |
| <b>Officer Title</b>  | <b>Comments Sought</b>   | <b>Comments Included</b> |
| Director of Law and Democracy   | Yes  | Yes                      |
| Strategic Director of Finance and Governance                            | Yes  | Yes                      |
| <b>Cabinet Member</b>   | Yes  | Yes                      |
| <b>Date final report sent to Constitutional Team</b>                    |  | 30 November 2017         |



|                                    |                                |  |                                 |
|------------------------------------|--------------------------------|--|---------------------------------|
| <b>Item No.</b><br>18.             | <b>Classification:</b><br>Open | <b>Date:</b><br>12 December 2017                                   | <b>Meeting Name:</b><br>Cabinet |
| <b>Report title:</b>               |                                | Consultation on Introducing an Intermediate Rent Housing List      |                                 |
| <b>Ward(s) or groups affected:</b> |                                | All  |                                 |
| <b>Cabinet Member:</b>             |                                | Cllr Stephanie Cryan, Deputy Leader and Cabinet Member for Housing |                                 |

## **FOREWORD – COUNCILLOR STEPHANIE CRYAN, DEPUTY LEADER AND CABINET MEMBER FOR HOUSING**

With the current housing crisis in London it is important that that homes of all tenures are built and that there is a supply of housing available that is truly affordable for our residents who are on low and medium incomes.

As a council we are committed to ensuring that we do what we can to play our part in meeting the housing needs of our residents and that we have homes that are available across a range of incomes.

There is a clear need to provide housing that is affordable to our key workers in Southwark. Our teachers and teaching assistants, our social workers and healthcare workers who are finding it increasingly harder to rent in Southwark due to the increasing rental prices in the private rented sector.

The Mayor of London’s commitment to London Living Rent is welcomed and will help provide affordable housing for households on incomes under £60,000 per annum. This is just one of several solutions to providing homes at intermediate rents for our residents alongside shared ownership, community land trusts and co-operative housing models.

We want to hear from our residents about their ideas and views on the future options for intermediate housing in Southwark and this report asks cabinet to recommend that the council consult on plans for an intermediate housing list and to bring a further report to cabinet with the final design in 2018.

## **RECOMMENDATIONS**

Recommendations for the Cabinet

1. To instruct officers to conduct a public consultation on the initial proposals to introduce an intermediate rent housing list.
2. To instruct officers to bring a further report to Cabinet in 2018 covering the results of the consultation and recommendations for the final design for the intermediate rent housing list.

## BACKGROUND INFORMATION

3. The first principle in the Southwark Council Housing Strategy is that “We will use every tool at our disposal to increase the supply of all kinds of homes across Southwark.” It also contains a priority of “Ensuring a supply of new homes which are affordable to people on a range of incomes.” It commits to ensuring a supply of intermediate housing that is affordable to those on low to middle incomes.
4. There is a clear need for all forms of affordable housing. The number of social lettings each year continues to decrease. At the same time, welfare reforms such as lowering the benefit cap to £23k in November 2016, and the freezing of the local housing allowance, have made the private rented sector less accessible to those on low incomes. Many households renting in the private sector have to pay very high proportions of their household income in rents. Affordability issues are significantly impacting on the recruitment of workers for some jobs, where pay is not sufficient to cover local housing costs and the costs of commuting.
5. The main form of affordable housing developed in Southwark will continue to be council and housing association rented properties at traditional social rent levels. Where there are viability issues, there may be some affordable rents (defined nationally as up to a maximum 80% market rent) but these will only be accepted on new developments where there are viability considerations and where it can be demonstrated that they are affordable to local residents. Affordable rent will only be accepted if it is capped at LHA rates (Local Housing Allowance). The council prioritises larger units for social rent. These properties will continue to be let to households on the council’s housing list as per the social housing allocations scheme. This will be unaffected by the proposals in this report.
6. There will continue to be a supply of intermediate housing for sale, mostly on a shared ownership basis. These will not be affected by the proposals in the paper due to Government restrictions, so these will continue to be let through the Mayor of London’s First Steps website.
7. Changes in national and regional planning policy are likely to result in an increase in intermediate rented housing developed by private developers, where rent levels are below market rent. Therefore a new approach for allocating these types of property is needed. In February 2017 the Government published the Housing White Paper which proposed to change the definition of affordable housing to include private affordable rent (similar to housing association affordable rent at up to 80% market rent, but managed by private companies). This could replace affordable housing requirements on purpose built private rental developments and count as intermediate housing. The Mayor of London’s Affordable Housing and Viability Supplementary Planning Guidance August 2017 now also directs the affordable housing requirement on build to rent developments towards London Living Rent or similar discounted market rent products.
8. As both the Housing White Paper and the Affordable Housing and Viability SPG both propose discount market rent should be acceptable as the affordable housing offer on build to rent schemes, these documents would count as material considerations in future planning decisions. An absence of a local policy would limit the council’s ability to influence the profile of any discount market rent offer in order to meet local needs/priorities. It would also make it more challenging to assess applications which

propose an affordable housing offer which departs from the Council's adopted policy. Therefore the council has proposed a new development management policy around private rented homes in the New Southwark Plan Proposed Submission Version. Formal consultation on the submission version is due to run from 2 January 2018 for 6 weeks until 12 February 2018.

9. The proposed policy P4 allows for discount market rent homes as the affordable housing contributions on private "build to rent" developments. These should remain affordable in perpetuity. Build to rent developments would be required to provide at least 35% affordable homes, subject to viability. A scheme would be broken down as follows:

| Tenure  | % of the total scheme | % of the 35% affordable housing element | Allocation method                           |
|---|-----------------------|---|---|
| Private rent  | 65%                   |   | Open market                                 |
| Total affordable – Of which:  | 35%                   |   |   |
| - Social rent equivalent <sup>1</sup>   | 12%                   | 34%                                     | Social housing waiting list                 |
| - Affordable rent capped at London Living Rent equivalent <sup>2</sup>                    | 18%                   | 52%                                     | Intermediate rent housing list*             |
| - Affordable rent for household incomes between £60,000 and £90,000 per year <sup>3</sup> | 5%                    | 14%                                     | Intermediate rent housing list <sup>4</sup> |

<sup>1</sup> Equivalent refers to social rent levels – See paragraph [11]

<sup>2</sup> Equivalent refers to London living rent levels – See paragraph [13]

<sup>3</sup> The proposed P4 policy has worded this as an intermediate housing waiting list. The new name has been proposed for clarity as this list will not be used for shared ownership.

<sup>4</sup> The P4 policy also states that for dwellings to be considered affordable, annual housing costs rent and service charge should be no greater than 40% of net household income (net household income assumed to be 70% of total (gross) income).

\* Where the units are offered by a private registered provider the PRP will not access the list itself but will be required to apply the same eligibility criteria and priorities.

10. Where these intermediate rent properties are developed and managed by private companies rather than housing associations, the council will take a more active role in the allocation of these properties to ensure they are meeting need.
11. The policy states that "Affordable discount market rent homes at social rent equivalent must be allocated to eligible households on Southwark's social housing waiting list." The term equivalent just refers to the rent level, and not the tenancy. The tenancy would probably be an assured shorthold tenancy, of at least three years. These homes will be managed by private companies or registered providers. The council will need to agree standard nominations protocols across the developments covering how these properties will be let and relet. Any advertisements for the property will clearly state the tenancy distinctions.
12. The other discounted market rent homes developed under DM4 must be allocated to eligible households on Southwark's intermediate rent housing list. The proposed policy states that eligibility criteria for Southwark's intermediate housing waiting list will be the subject of a separate consultation (the consultation covered by this report). The same priority system will be used for both the London Living Rent equivalent and the other intermediate housing. However it is proposed that those with

household incomes over £60,000 will only be able to bid for intermediate rent homes that are intended to be let by households in this higher income band.

13. The reference to London Living Rent equivalent refers to the rent level only, as set by the Mayor of London, based on a third of the median gross income. Residents would not have the option to buy their current home, but will still be encouraged to save to buy an alternative property.
14. The council will need to agree standard consistent nominations protocols across the developments covering how these properties will be let and relet and covering issues such as tacking subletting, repair responsibility etc.
15. Council planning officers have been exploring whether build to rent with a proportion of intermediate rent could be a suitable potential option at a few sites across the borough.

## KEY ISSUES FOR CONSIDERATION

### Consultation

16. Cabinet is requested to instruct officers to publicly consult on the proposals for an intermediate rent housing list. A set of consultation questions is included in appendix 1. This report also instructs officers to bring a further report to Cabinet in 2018 covering the results of the consultation, a full analysis of the equalities impacts, and recommendations for the final design of the intermediate rent housing list.
17. **Stakeholders** - The council will be seeking to consult with a wide array of potential stakeholders. This will include the GLA, other social housing providers operating in the borough, developers, private landlords and local residents.
18. **Consultation period** – The consultation will run for 12 weeks. Further consultation may be required if the consultation results in the need for significant changes.
19. **Methods of consultation** – A number of methods of consultation will be used including a web-based consultation document. The document will include an initial proposal for the eligibility criteria, priority star system, and the Southwark key worker definition. This consultation document will also explore the potential equalities impacts of the proposals. Officers will also write to developers who have expressed an interest in providing intermediate rented housing to ensure they are aware of the consultation, and offer to meet with them to discuss the proposals. Officers will also request to meet with the Southwark Housing Association Group (SOUHAG) and the Futures Steering Board (FSB).

### Initial proposals for the intermediate rent housing list

20. The following section contains an initial proposal for the intermediate rent housing list as a starting point for consultation. These proposals are subject to change following the consultation.

### Tenures covered

21. The primary purpose of the intermediate rent housing list will be for allocating intermediate rented homes developed on purpose built private rental developments built and managed by private companies.
22. The council anticipates that private registered providers (RPs) may also wish to offer intermediate rented homes. As these would be let on assured shorthold tenancies any council nomination to these properties would be covered by Part 6 of the Housing Act 1996, so according to the council's social housing allocation policy. However, there are likely to be significant affordability issues for intermediate rent for most households on the social housing list. GLA guidance on London Living Rent states that "providers should determine priority through use of a local intermediate waiting list (if one exists), by using a priority group or groups identified by the local borough, or as a last resort by first-come, first-served." Therefore the Council is proposing that, in the case of properties managed by registered providers, the registered provider will be required to let to households in accordance with the council's eligibility criteria and priority star system. The council will email priority households on the intermediate housing list to make sure they are aware of any such properties so that they can apply directly to the RP. As part of the consultation, the council will work with registered providers, the Department for Communities and Local Government and the GLA on the best way to select tenants for these properties.
23. The intermediate rent housing list would not be used for allocating shared ownership. The Government has removed the powers of local authorities to apply additional restrictions on shared ownership from April 2016. These properties will continue to be advertised and let through the Mayor of London's First Steps web portal. However, the Council will be able to better target marketing of shared ownership opportunities to those on the intermediate rent housing list.
24. The intermediate rent housing list will play no role in allocating social and affordable rent properties. These will continue to be let through the Council's social housing allocation scheme. Where there is overlap between these two schemes, consistent wording will be used.

### Possible future supply and demand

25. In the short to medium term there is likely to be a very limited supply of intermediate rented properties but a very high level of demand, as this will be more affordable than private renting. On the 7<sup>th</sup> June 2017 there were 6,331 households on the First Step website who have registered an interest in intermediate housing who live or work in Southwark. There were 2,546 households registered on the website who want to live in intermediate housing in Southwark. As First Steps currently mainly covers shared ownership, numbers interested in discounted market rent may be higher.
26. There may be four sources of supply of intermediate rent units as follows:
27. **On private developments as part of S106 agreements** - Planning policies are still to be formally agreed and schemes will need to be worked up and agreed. Therefore supply is likely to be very limited in the short term. There could potentially be around 2,000 discount market rent homes built through this route in the next 15 years but

this is heavily dependant on planning policy decisions and viability considerations.

28. **Properties developed by housing associations** - So far no housing associations have bid for funding for London Living Rent in Southwark and have continued to focus on shared ownership. However the Mayor of London has indicated that he will allow any funded shared ownership property to be switched to London Living Rent or vice-versa up to the point of letting. In May 2017 Hyde let the first London Living Rent properties in Beckenham. If the sales environment continues to get more challenging there may be more conversions of shared ownership to intermediate rent.
29. **Properties developed by the council** - The council is exploring options for delivering London Living Rent, and other homes to help those unable to afford a property on the private market. This would require a separate Cabinet paper due to legal complexities.
30. **Relets of existing intermediate rent products** - The New Southwark Plan – Proposed Submission Version has stated that discount market rent homes must be provided in perpetuity. While it will take a few years before this becomes a significant source of supply, there will be a need to ensure that these continue to be let to applicants on the intermediate rent housing list, with appropriate ongoing monitoring arrangements, and controls to prevent subletting.
31. As the supply of discount market rent homes will be extremely variable it is important that resources are planned in a way which can accommodate fluctuating supply, with a potential slow start that can be scaled up.

### **Key aims and objectives**

32. The main aims and objectives of the intermediate rent housing list are to provide a way of allocating intermediate homes to those in the squeezed middle who are unlikely to get a council property but unable to afford other forms of private housing. This priority scheme will be particularly aiming to prioritise options for Southwark workers, particularly those who play a key part in the functioning of the borough. While meeting housing needs of those on lower incomes is a priority, there is need to ensure the household can afford to sustain the tenancy and provide rental stability.

### **The eligibility criteria**

33. Officers have proposed a set of eligibility criteria for joining the intermediate rent housing list. These have been drafted in line with the following eligibility criteria for the Mayor of London's First Steps and London Living Rent schemes. These would apply to both private developers and PRPs.
34. Under the GLA's First Steps eligibility criteria a household has to:
  - Have a gross household income of no more than £90,000 per annum
  - Be unable to buy a suitable market home to meet their housing needs
  - Not already own a home or to have sold their home before they buy or rent.
35. The Mayor of London's Affordable Housing and Viability SPG restricts the maximum household income of households for London Living Rent to £60k.

36. Based on these existing eligibility requirements, officers have proposed the following broad eligibility criteria for joining the intermediate rent housing list.

| Criteria  | Explanation  |
|---|--|
| Residence in the borough or being a key worker working in the borough   | The scheme would be open to residents living in the borough and key workers working in the borough (as defined in paragraph 42). The consultation will explore whether a minimum residence criteria should be applied for non keyworkers.  |
| Maximum household income of £90k  | Policy P4 in the New Southwark Plan will result in some intermediate housing being developed at London Living Rent levels, for those with household incomes below £60K, and a small proportion for those with household incomes up to £90k. There may be need for further restrictions on any products funded by the Mayor of London (e.g. for London Living Rent households are expected to be able to afford the rent and be able to afford to build up savings).  |
| Minimum earned income of £26k   | A minimum earned income of £26k is proposed. The consultation will explore whether this should be included and if this is set at the correct level. It would be a waste of time and resources for people to join a list where they are unable to afford any of the products listed. £26k is the income required to afford the lowest proposed level for LLR for a one bed in Southwark, which was Peckham ward at £729 a month, assuming a third of income is spent on rent.   |
| Not an existing homeowner unless the current property is unsuitable (overcrowded/disabled access/unaffordable) and the household is unable to buy/rent in the private market. | This will need further careful consideration to ensure this includes exceptions for those in genuine need but which rules out those seeking to exploit the scheme for financial gain. These circumstances will be set out in procedure.  |
| That they or a member of the household has not been guilty of unacceptable behaviour serious enough to make the applicant unsuitable to be an intermediate rent tenant        | This will be defined in the next Cabinet report. This will cover significant housing related debt unless a repayment plan is approved; failure to keep to payment plans; being subject to court orders for breach of tenancy conditions; convictions for illegal or immoral use of their home; nuisance and annoyance to neighbours and visitors; criminal offences in or near the home and still posing a threat to neighbours and the community; violence towards family members and domestic abuse; deception/providing false information; acts of violence or aggression against Southwark or partner organisation staff; unlawful subletting; racial harassment or hate crimes. |
| Aged 18 or over   |  |
| Definition of household   | Unlike the social housing allocations scheme, the council will not restrict who can be included in the application, and therefore sharing may be allowed. However, the applicant will be solely responsible for ensuring the rent is paid. The tenancy will be in the name of the applicant.   |
| Exceptions  | An exceptions approach will be needed across all these rules   |

| Criteria      | Explanation  |
|---------------|--|
|               | above to allow consideration of complex cases.   |
| Right to rent | Applicants must be eligible to rent a property under national legislation, the managing agent or company will be responsible for carrying out any initial and ongoing checks required. |

37. As the tenancies would be of a fixed period, there will need to be clarity about the factors that would be taken in to account in deciding whether to renew the tenancy. This could include whether the household was still eligible under this criteria. This will be included in the consultation.

### The prioritisation system

38. Given the very high rents in the private sector, and the shortage of affordable housing, there is likely to be significant demand for intermediate rented housing. Therefore there will be need for a clear and transparent allocation system to allocate lettings.
39. The Council has explored a variety of potential options for determining how tenants should be selected including:
- A lottery
  - Prioritising only by time on the list
  - Prioritising according to multiple priority bands (as per the allocations policy)
  - A priority star system.
  - Prioritising by lower income – however there is a contradiction between meeting low income need and making sure residents can afford the rents, be able to save to help buy in future (for products like LLR) and in ensuring residents are likely to be able to afford the rents in the longer term.
40. The council's preferred option is for a priority star system. Priority would be initially determined by priority stars.
41. Certain categories of people would qualify for priority stars as summarised in the following list. The exact wording and justification are included in the following text.
- Keyworkers
  - Armed Forces personnel (serving and former)
  - Victims of domestic violence/abuse
  - Carers
  - Families undertaking fostering or adoption where a larger home is needed

### Key workers

42. In Southwark, as in many other areas in London, particularly inner London, there are recruitment issues for some posts as people are unable to cover the cost of housing and transport costs on their salaries. This is having a growing impact on public frontline services. Therefore there is some call for prioritising certain key workers.
43. The Southwark definition of key workers will need to be finalised in the next Cabinet paper on the final design. Officers have reviewed key worker eligibility criteria used



by national government, housing associations and other London boroughs. Officers have also considered whether the likely products in the scheme would be affordable to key workers. Minimum starting incomes including London weighting were as follows; fully qualified nurses £26.5k, teachers £28k, police constables £22k, firefighters £26k and ambulance crew £18k.

44. A Southwark keyworker will be somebody who works in an essential front line post who currently works in the London Borough of Southwark. The current proposal is that this includes the following:
- Nurses and other clinical staff employed in the NHS (at hospitals, health centres or in the community).
  - Social workers, educational psychologists and therapists employed by a London Borough of Southwark or the NHS
  - Firefighters
  - Police officers and Police Community Support officers (PCSO)
  - Teachers and teaching assistants who work in state schools, faith schools, free schools and academies (i.e. non-fee charging schools).
45. Applicant households containing keyworkers would be required to inform the council about changes in employment up to the point of letting, as this could change the priority status. However if this was to occur after a letting, the household would not be expected to move, to retain the skills in the borough for potential future employment.

#### **Armed Forces personnel**

46. As per national shared ownership prioritisation, additional priority will be awarded to Armed Forces personnel (serving military personnel and former members of the British Armed Forces discharged in the last 2 years), and bereaved spouses/civil partners where the death was partly attributable to their service.
47. The group includes armed forces personnel who have completed basic (phase 1) training and who fall into one of the following categories:
- Regular service personnel (including Military Provost Guards Service in the Army, Navy, Air Force)
  - Clinical staff (excluding doctors and dentists)
  - MoD police officers
  - Uniformed staff in the Defence Fire Service
  - Ex-regular service personnel (who have served in the Armed Forces for a minimum of six years and can produce a Discharge certificate, or similar document). Applications must be within 12 months of discharge
  - The surviving partners of regular service personnel who have died in service may be eligible to be prioritised where they apply within 12 months of the date of being bereaved

#### **Domestic violence, abuse and harassment**

48. The council is committed to giving those who suffer domestic abuse the opportunity to take control of their lives and to thrive not just survive as per the Domestic Abuse Strategy 2015-2020. An applicant who is suffering, or at imminent risk of suffering,

extreme domestic abuse, violence or harassment and for whom it is not safe to remain in their home, will be awarded a priority star. This will be based upon verification by senior police officers or other agencies in conjunction with a council risk assessment (Multi agency risk assessment conference – MARAC). The suggested approach is that this would be included as part of an assessed homeless application. That assessment can be sensitive and does not have to be a forensic investigation, but provides sufficient rigour to the process in terms of whether the person needs to move from their current home. Registered Providers will be able to check this with the Council.

### **Carers**

49. Carers have been included in recognition of the vital role they play in supporting vulnerable residents in the borough, and their subsequent reduced income. The applicant or a member of their household must be in receipt of one of the following benefits (at any rate):
- Carers Allowance
  - Disability Living Allowance
  - Personal Independence Payment
  - Attendance Allowance

### **Fostering and adoptions**

50. Families undertaking fostering or adoption for the authority (with an agreed fostering or adoption agreement in place) may also apply for a priority star where there is a need to move to a larger home in order to accommodate a looked after child. This group has been included in recognition of the valued role they play in the borough in providing care for children. This will also include special guardians, or holders of a residence order and family and friend carers who are not foster carers but who have taken on the care of a child because the parents are unable to provide care.

### **Potential issues with prioritisation**

51. Where two or more applicants have the same number of priority stars, private developers will be required to select the person who has been on the waiting list for the longest time. (This will not apply to PRPs who will not be accessing the list.) Where this system still results in a “tie”, private developers would be required to operate a lottery system to decide the allocation among those households. In such cases PRPs would be permitted to choose the successful applicant according to their own criteria.
52. The council recognises that in applying these priorities the policy would discriminate between different types of household and would impact on the rights of individuals. However the council considers this method be the least intrusive measure to achieve the stated legitimate key aims and objectives (as set out in paragraph 32). These issues will be fully explored through the equalities impact assessment on the policy.
53. In the case of prioritising key workers, the policy will make it easier to recruit workers who perform vital public services, for the potential benefit of all residents. This group of low to mid income workers are already blocked from some other housing options due to their income. Many are unlikely to get a social rented property, but due to their

restricted income are unlikely to be able to afford private rents. Therefore this priority is considered a legitimate aim.

54. Whilst these eligibility criteria and priorities may block some households under their current circumstances, any household could find themselves in one or more of the various categories as their needs change such as through illness, disability, changes in employment status etc.

### **Local lettings policies**

55. The Council's Allocation Scheme allows the council to decide to operate local lettings policies in particular areas. Under these schemes a proportion of lettings are ring fenced to residents in the defined area. The Council is proposing to extend this approach to intermediate rent lettings to ensure local residents receive the benefit of regeneration. The council is exploring whether to introduce a local lettings scheme, including intermediate rent, for the Old Kent Road opportunity area.

### **Policy implications**

56. This Cabinet paper is limited to agreeing to publicly consult on the proposals to introduce the intermediate rent housing list; therefore there are no direct policy implications at this stage.
57. The final policy design will be agreed through the next Cabinet Paper on the intermediate rent housing list. The council will then need to keep these policies under review to see how effectively the new list is operating.
58. The Intermediate Rent Housing List will be kept separate from the social housing allocations scheme so will not impact on how the council meets its duties under the 1996 Housing Act Part VI. However, some households could be on both lists. For simplicity there will be need to ensure consistent wording in some areas between the two schemes, such as around armed forces, domestic violence, fostering etc.
59. The final policy will need to align with the council's planning policies around intermediate housing.

### **Community impact statement**

60. The council has started the process of identifying and analysing the potential equalities impacts of this proposed policy. This will continue to be considered through the consultation on these proposals and in agreeing the final design of the intermediate rent housing list through the next Cabinet paper.
61. As already stated, in applying the set of priorities this policy does discriminate between different types of household. However the council has considered this to be the least intrusive way to achieve the council's legitimate aims and objectives. In addition all residents could potentially benefit from these priorities through possible improvements to essential public services, or if their circumstances change beyond their control and they then fall within one of the priority groups. This will be fully explored through the equalities impact assessment.

## Resource implications

### Financial issues

62. This Cabinet paper is limited to agreeing to publicly consult on the proposals to introduce the intermediate rent housing list; therefore there are limited resource implications at this stage. The cost of consultation will be minimised through use of online consultation methods. The council will notify key stakeholders of this online consultation through email. Officers will also meet with a small number of selected key stakeholders. Therefore the cost of consultation and impact on staff resources will be kept to a minimum and met through existing resources.
63. There will be new resource implications for introducing and administering the new intermediate rent housing list. Officers are working to fully establish the resource requirements which will be dependent on the final design of the scheme. These will be included in the Cabinet report on the final design for the scheme.

### Budget issues

64. While the costs will be minimised, there will be need to cover the additional costs of running this new scheme. Officers have ruled out applying an application charge, so another option will be required to recoup the costs of administering the scheme. Based on initial research by officers, the best option appears to be meeting year 1 set up costs through the current S106 administration fund and making an adjustment to future S106 agreements to provide for an annual monitoring and administration fee. Other potential options include:
- Capitalising some of these costs e.g. £5k per property.
  - Charging other partners such as housing associations to advertise their shared ownership properties using our site/list.
65. Officers will continue to explore these options, obtaining legal and financial advice so that a clear recommendation can be included in the next Cabinet Report on the final design of the scheme.

### Staffing issues

66. Any staff requirement for consultation will be met within existing resources.
67. There might be need for a dedicated project officer to coordinate the initial setting up of the scheme once agreed. This could potentially be funded through the S106 administration fee. This will be explored and confirmed in the next cabinet paper.
68. There is likely to be peaks and troughs in the work administering the intermediate rent housing list, particularly as new schemes come forward. This will need to be monitored closely and the resource requirements will need to be kept under review. As soon as people are allowed to join the intermediate rent housing list, there will need to be an officer in place to administer the applications. To build in flexibility officers could be appointed on fixed term contracts.

## **Legal implications**

69. This report only commits the council to consultation at this stage; therefore there are no direct legal implications at this stage. Officers have sought advice on the potential legal implications in the development of these proposals. The full implications of the final agreed scheme will be included in the next Cabinet report agreeing the scheme.

## **Consultation**

70. So far consultation on these proposals has been limited to initial discussions with officers, Members, the Southwark Housing Association Group (SOUHAG) and the Futures Steering Board (FSB). This report instructs officers to consult on the proposals for an intermediate rent housing list as per paragraph 16.
71. It is possible the consultation will result in a need to fundamentally alter the proposals for the intermediate rent housing list. In this eventuality further consultation may be required. The results of the consultation will be summarised in a further report back to Cabinet in 2018.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Director of Law and Democracy**

72. The report recommends that cabinet instructs officers to conduct a public consultation on proposals to introduce a waiting list of households interested in accessing “intermediate rented housing” for use by private landlords on “build to rent” developments. The report proposes a slightly different system for selection of intermediate rent properties offered by “private registered providers” or “PRPs” on such developments.
73. The law requires that such a consultation must be undertaken when proposals are still at a formative stage; it must include sufficient reasons for the proposals to allow interested parties the opportunity to consider the proposal and formulate a response; it must allow adequate time for interested parties to consider the proposals and formulate their response; and the outcome of it must be conscientiously taken into account when the ultimate decision is taken. Similarly due regard must be had to the impact a proposal may have on persons with protected characteristics under the Equality Act 2010.
74. Section 106 of the Town and Country Planning Act 1990 (as amended) (TCPA) allows a local planning authority to impose restrictions on the development or use of land or to require land to be used in a specific way. The delivery of affordable housing is one such use of land, which is commonly secured through the use of agreements between the local planning authority and the developer. Such agreements are enforceable by the local planning authority against the person who first enters into the agreement, and any person deriving title to the land from that person, pursuant to s.106(3) TCPA. Intermediate rented housing may be secured through such agreements in the same way as other forms of affordable housing.
75. The TCPA does not restrict the terms which may be imposed by the planning

authority on eligibility for affordable housing or the terms on which it may be offered: this is a matter which falls to be determined by application of the local authority's housing policies. In relation to housing offered by private landlords, the authority has a discretion to set eligibility and allocation criteria in accordance with those policies; to select applicants who satisfy those criteria; and to nominate those individuals to the developer as tenants.

76. However this is not the case in relation to housing offered by PRPs. Section 159 of the Housing Act 1996 states that a local housing authority "allocates" housing accommodation when it "nominates" a person to be an assured tenant of a PRP: under s.159(4) this includes requiring that housing accommodation be made available to one of a number of persons put forward by the authority. When this applies, the local housing authority must apply the social housing allocation scheme operated under s.166A(1) of that Act in allocating the housing accommodation, and not any other scheme (such as the proposed "intermediate rent" waiting list proposed for consultation). The proposed method of allowing the PRP to advertise for tenants, but requiring it to apply the authority's eligibility and priority criteria, avoids this issue as the authority is not thereby "nominating" any individual or individuals to be tenant(s) of the PRP.

#### **Strategic Director of Finance and Governance (H&M17/078)**

77. The Strategic Director of Finance and Governance notes the recommendations in the report to conduct a public consultation on the proposal to introduce an intermediate rent housing list. Subject to the outcome of the consultation, the cost of implementation and on-going administration will be dependant on the final design of the scheme and funding options will be fully evaluated and reported to Cabinet at the earliest opportunity.

#### **BACKGROUND DOCUMENTS**

| <b>Background Papers</b>  | <b>Held At</b>                        | <b>Contact</b>                   |
|---|---------------------------------------|----------------------------------|
| New Southwark Plan: Proposed Submission Version   | Planning Policy                       | Juliet Seymour                   |
| <b>Link: (copy and paste into browser)</b><br><a href="https://www.southwark.gov.uk/planning-and-building-control/planning-policy-and-transport-policy/development-plan/local-plan">https://www.southwark.gov.uk/planning-and-building-control/planning-policy-and-transport-policy/development-plan/local-plan</a> |                                       |                                  |
| Southwark Housing Strategy  | Housing Strategy and Business Support | Robert Weallans<br>0207 525 1217 |
| <b>Link:</b><br><a href="http://www.southwark.gov.uk/housingstrategy">www.southwark.gov.uk/housingstrategy</a>  |                                       |                                  |
| Update and overview report on the delivery of 11,000 council homes  | Housing Strategy and Business Support | Robert Weallans<br>0207 525 1217 |
| <b>Link: (copy and paste into browser)</b><br><a href="http://moderngov.southwark.gov.uk/documents/s58394/Delivery%20of%2011000%20Council%20Homes.pdf">http://moderngov.southwark.gov.uk/documents/s58394/Delivery%20of%2011000%20Council%20Homes.pdf</a>   |                                       |                                  |

**APPENDICES**

| No.        | Title  |
|------------|--|
| Appendix 1 | Consultation questions on the proposal to introduce an intermediate rent housing list. |

**AUDIT TRAIL**

|   |  |                          |
|---|--|--------------------------|
| <b>Cabinet Member</b>   | Councillor Stephanie Cryan, Deputy Leader and Cabinet Member for Housing |                          |
| <b>Lead Officer</b>   | Gerri Scott, Strategic Director of Housing and Modernisation             |                          |
| <b>Report Author</b>  | Robert Weallans, Housing Strategy Manager                                |                          |
| <b>Version</b>  | Final  |                          |
| <b>Dated</b>  | 30 November 2017   |                          |
| <b>Key Decision?</b>  | Yes  |                          |
| <b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b> |  |                          |
| <b>Officer Title</b>  | <b>Comments Sought</b>   | <b>Comments Included</b> |
| Director of Law and Democracy   | Yes  | Yes                      |
| Strategic Director of Finance and Governance                            | Yes  | Yes                      |
| <b>Cabinet Member</b>   | Yes  | Yes                      |
| <b>Date final report sent to Constitutional Team</b>                    | 30 November 2017   |                          |

## Appendix 1 – Consultation questions on the proposal to introduce an intermediate rent housing list.

The consultation document will summarise the reasons behind introducing an intermediate rent housing list, as set out in the main Cabinet Report. It will then explain the proposed edibility criteria and priority star system as set out in paragraphs 33 to 54 of the main report. It will then ask the following questions:

### 1. Eligibility

|            |   |
|------------|---|
| <b>Q1a</b> | Do you agree with the proposed eligibility criteria? If not why?  |
| <b>Q1b</b> | Do you agree that applicants should be required to currently live in the borough or be a key worker working in the borough?   |
| <b>Q1c</b> | Should the residence requirement be for a minimum period e.g. 5 years?  |
| <b>Q1d</b> | Should other non keyworker households working in the borough be also eligible?  |
| <b>Q1e</b> | Do you agree that the maximum income cap should be set at £90k?   |
| <b>Q1f</b> | Do you agree that only those with household incomes below £60k should be able to bid for the lower London Living Rent equivalent rent properties?   |
| <b>Q1f</b> | Do you agree that there should be a minimum household income threshold? If so do you think £26k is right or is this too high/low?   |
| <b>Q1h</b> | Do you agree that the council should be able to exclude applications where the applicant or a member of the household has been guilty of unacceptable behaviour serious enough to make the applicant unsuitable to be an intermediate rent tenant? (as summarised in the main report) |
| <b>Q1g</b> | Are there any ways which the eligibility criteria should be further restricted, or loosened?  |
| <b>Q2h</b> | Should the council impose restrictions on who can make up a household (as per the council's allocation policy) or allow a more flexible approach, such as allowing two or more unrelated individuals to share? If so, what other factors should we take account of?                   |
| <b>Q1i</b> | Should the council restrict lettings according to the number of rooms required by the household, e.g. not allowing single person households to bid for 2 beds and above?  |
| <b>Q1j</b> | Do you have any other comments on the eligibility criteria?   |

### 2. Priority stars

|            |   |
|------------|---|
| <b>Q2a</b> | Do you agree with the proposed priority stars system? If not, why?  |
| <b>Q2b</b> | Do you think any group should get additional priority stars? And why?   |
| <b>Q2c</b> | Should any other groups be eligible for a priority star? And why?   |
| <b>Q2d</b> | Do you agree key workers should receive additional priority?  |
| <b>Q2e</b> | In the case of employers of key workers, what evidence do you have of recruitment issues in your sector?  |
| <b>Q2f</b> | Do you agree with the proposed Southwark key worker definition? Or should this include/exclude certain roles?   |
| <b>Q2g</b> | As many hospitals, fire stations, schools etc in neighbouring boroughs provide services to Southwark residents, should the definition of key workers be limited to key workers working in Southwark, or should this be widened to include working in neighbouring boroughs, or organisations serving Southwark residents? |
| <b>Q2h</b> | Do you agree that victims of serious domestic violence and/or abuse should  |



|            |  |
|------------|--|
|            | receive a priority star, what evidence do you think should be required given this is sensitive information?  |
| <b>Q2i</b> | After taking account of priority stars, do you agree time on the list should be used to prioritise households? And if this is the same (as it is a new list) do you agree a lottery should take place? Otherwise, what alternative mechanism should we adopt?  |
| <b>Q2j</b> | Given the legal requirements covering council nomination to registered provider lettings, do you agree that registered providers should be able to allocate their own properties in accordance with the council's eligibility criteria and priority star system? If not, what alternative system do you think should be applied? |

### **3. Tenancy renewals**

As the tenancies would be of a fixed period, there will need to be a decision about the factors that would be taken in to account in deciding whether to renew the tenancy. This could include whether the household was still eligible under the original eligibility criteria.

|            |  |
|------------|--|
| <b>Q3a</b> | Do you have any views on what factors should be taken account of in deciding whether to renew a tenancy? |
|------------|--|

### **4.Funding**

There will be a cost of administering the scheme, to cover the purchase of a web portal, ongoing license fees and staff to help process applications. Costs will be kept to a minimum. This cost would need to be funded outside of the Council's Housing Revenue Account and the council is exploring ways to avoid this additional cost falling on the Council's general fund.

|            |  |
|------------|--|
| <b>Q4a</b> | Do you have any views on how this administration and monitoring costs should be resourced? |
|------------|--|

### **5. Impacts on specific communities**

The Council believes this intermediate rent housing list should benefit all communities by providing an additional housing option for those who are currently struggling to afford housing costs in the private rented sector. Further prioritising key workers should also benefit all residents of the borough by assisting in addressing recruitment issues, helping to ensure that a high level of public service can be maintained.

|            |   |
|------------|---|
| <b>Q5a</b> | Do you think that these proposals would result in any potential positive or negative impact on people with different protected characteristics? |
| <b>Q5b</b> | Would the eligibility criteria or priority star system present any barriers to accessing our services for different groups of people?           |
| <b>Q5c</b> | Do you have any other comments regarding the impacts on specific communities?   |

**Please email your comments on this proposal to [housingstrategy2@southwark.gov.uk](mailto:housingstrategy2@southwark.gov.uk) by the \_\_\_\_\_(deadline to be agreed**

|                                    |                                |   |                                 |
|------------------------------------|--------------------------------|---|---------------------------------|
| <b>Item No.</b><br>19.             | <b>Classification:</b><br>Open | <b>Date:</b><br>12 December 2017  | <b>Meeting Name:</b><br>Cabinet |
| <b>Report title:</b>               |                                | Gateway 0 - Strategic Options Assessment for Responsive Repairs and Maintenance Works |                                 |
| <b>Ward(s) or groups affected:</b> |                                | All   |                                 |
| <b>From:</b>                       |                                | Councillor Stephanie Cryan, Deputy Leader and Cabinet Member for Housing              |                                 |

#### **FOREWORD - COUNCILLOR STEPHANIE CRYAN, DEPUTY LEADER AND CABINET MEMBER FOR HOUSING**

Our residents deserve an outstanding repair service and whilst some improvements have been made over the last 4 years we must continue to explore new ways to improve these vital services, to provide value for money and to deliver a service that works for everyone.

With our current repairs contracts ending in October 2018, this Gateway 0 gives the Council a real opportunity to explore an in house delivery model that can be responsive to our residents needs and improve on the service that is currently being delivered.

With increasing financial pressures it is only right that we explore the financial viability of an in house option whilst procuring chargeable repairs to demonstrate best value to our homeowners.

Over the next few months the Council will explore what an in house delivery option would cost and the service it can provide to our residents and provide an update to Cabinet in March 2018.

#### **RECOMMENDATION**

That the Cabinet:

1. Notes that the ending of the housing repairs contracts in October 2018 provides the council with an opportunity to review the way in which these services are offered and to consider new and more effective delivery models.
2. Instruct officers to develop detailed plans that would allow all non chargeable repairs and associated works to be undertaken by the council's in house trading service for housing repairs (SBS) for an initial period of 12 months with effect from October 2018.
3. Requests a progress report to Cabinet in March 2018 setting out a proposed new service delivery model, project plans, full risk assessments and a full business case in support of the delivery of the service by SBS.
4. Notes that due to the requirement to have arrangements in place for chargeable repairs by 3 October 2018, preparation for the procurement process for these contracts has started and will be tendered subject to the approval of this report.

## BACKGROUND INFORMATION

5. Southwark housing has the largest social housing stock in London and with circa approximately 100,000 building repairs ordered and completed every year. The housing stock has a wide range of architectural types from Victorian properties to large purpose built concrete blocks.
6. The building repairs and maintenance of council housing stock is split into two geographical areas covering the north and south of the borough. The north is served by the in house direct labour organisation, SBS, through a Service Level Agreement (SLA). The south is served by Mears Ltd (Mears) through a long-term Measured Term Contract (MTC).
7. The SLA with SBS commenced on 3 June 2009 for a 7-year period with the option to extend up to a further three years, and is due to expire on 2 June 2019.
8. The contract with Mears commenced on 3 October 2013 for an initial five-year period, with the option to extend for a further five years (three years plus two years) for total estimated value of £110m. The initial period is due to expire on 2 October 2018.
9. Both SBS and Mears provide the following services across all trades to housing residential buildings;
  - Day to day building responsive repairs.
  - Void.
  - Out of hours emergency repairs.
10. The council set a number of KPI's which to date neither Mears nor SBS have been able to meet in full. Although some progress is being made on this and especially by the in house contractor, there are concerns as to whether an external contract will be able to deliver the improvements sought.
11. SBS and Mears deliver building repairs and maintenance to communal areas to the housing stock which are chargeable to leaseholders. Both Mears and SBS rely on sub-contractors to deliver communal repairs and voids. It is recognised that action will be needed in any event by both contractor and client to manage work differently to reduce this reliance.
12. The initial term of the Mears contract is due to expire on 2 October 2017 and it was necessary for Asset Management to review the current responsive repairs and maintenance service to provide options that would best meet future service requirements.
13. On 13 September 2017 Mears were informed that the council would not be extending the long-term repairs and maintenance contract and therefore this would come to an end on 2 October 2018.
14. On 2 October 2017, the strategic director of housing and modernisation approved a number of Gateway 1 reports to procure contracts for the following chargeable repairs and maintenance services to commence on 3 October 2018.

| Contract Title                   | Estimated Value           | Duration    |
|----------------------------------|---------------------------|-------------|
| Communal repairs (North & South) | North: £600,000 per annum | 2 + 1 years |
|                                  | South: £700,000 per annum |             |

| Contract Title                        | Estimated Value           | Duration    |
|---------------------------------------|---------------------------|-------------|
| Roofing and Rainwater (North & South) | North: £650,000 per annum | 2 + 1 years |
|                                       | South: £650,000 per annum |             |
| Fire Protection (North & South)       | North: £500,000 per annum | 3 years     |
|                                       | South: £500,000 per annum |             |
| Metal Works                           | £350,000 per annum        | 5 years     |

15. Preparing for the procurement of the above contracts was essential in order to have these services in place to meet the deadline of 3 October 2018 and meet its legal obligation to consult leaseholders under Section 20 (S20) of the Landlord & Tenant Act.
16. The estimated budget for non chargeable repairs and maintenance is £14.4m per annum.
17. Due to the significant value of the services and its implications to the repairs and maintenance service this report is being presented to Cabinet.

#### **KEY ISSUES FOR CONSIDERATION**

##### **Future service requirements and outcomes**

18. Asset Management has carried out market research to see how other council's and social landlords deliver repairs and maintenance and has found that other councils and housing providers still use a variety methods to deliver their repairs services as follows:
  - I. in house delivery;
  - II. outsource incorporating responsive and capital works in one large contract;
  - III. mixture of in house and out sourced contracts;
  - IV. outsource for responsive repairs and frameworks for capital works.
19. Delivery models selected by organisations are often designed around the client structure, business objectives and the geographic locations of its housing stock. There is no generic model which consistently delivers success.
20. Past experience in Southwark of service delivery by large external companies has been variable, and the contracts have either not been extended or have been terminated early. Previous external large repairs and maintenance contracts have consistently struggled to meet the council performance targets.
21. The insourcing of internal repairs will allow the council to test new delivery and pricing models such as Price per Property (PPP) and Price per Void (PPV), without being tied to formal contractual specifications that would require variations in order to test new ideas.
22. A directly delivered service will allow the council to reduce administration, stop duplication of effort and provide the opportunity to review the current hard Client/Contractor split, moving to a truly 'One Council' service, putting the residents at the heart of the way the service is delivered.
23. The council has a legal duty, as a social housing landlord, to maintain its housing properties and meet its policy obligations.

24. It is essential that any future repairs service complements its asset management investment programme to avoid duplication and provide efficiencies in service delivery and cost. Any new service must:
- work towards an improved service for residents learning what works well and what has consistently failed and the reasons why, including how residents access the service;
  - have backup arrangements in place to ensure service delivery;
  - have flexibility to meet future demands and financial pressures;
  - have arrangements in place for at least 3 years;
  - provide best value and bench mark, as evidence, against other providers;
  - separate responsive repairs for minor faults and allow planned works to be incorporated into asset management's strategy;
  - allow the right repair and investment decisions for the asset at the right time using the best vehicle for delivery;
  - maintain SBS and provide it with the option to tender for leasehold chargeable works;
  - ensure costs are recoverable from leaseholders by tendering chargeable works through long term qualifying agreements;
  - ensure that any future repairs service co-ordinates seamlessly with other housing measured term contracts such as heating and water, communal lighting and door entry;
  - enable repairs to be ordered by residents digitally;
  - provide new pricing mechanisms that can reduce administration cost to the council and provider; and
  - incorporate the requirements of the council's fairer future procurement strategy, including apprenticeships and opportunities for local residents.
25. There is a high demand for affordable housing and properties that become void need to be let to the council lettable standard in order that the council can receive an income on its assets.
26. The council also has a demand for providing temporary accommodation to residents who are homeless and reduce the need for the council to use private bed and breakfast facilities. Any future repairs service must ensure that repair and maintenance works respond to the quick turnaround times to avoid the council incurring additional costs.
27. It is essential that the council has an emergency repairs service to serve its housing portfolio in order to keep residents and building safe and free from any potential hazards or incidents.
28. The council has a legal responsibility for assessing the needs of residents and providing adaptations/alteration works so that they can continue to enjoy their homes.
29. Housing also has sheltered housing units and hostels that need to be maintained to prevent risk to vulnerable residents.

### **Market Considerations**

30. External providers are experienced in tendering for large contracts especially when national schedule of rates are used. Regardless of what price/ quality ratio is utilised

to evaluate tenders, officers have experienced that providers will assess the strength of the client and price the tender to win rather than to deliver the contractual obligations and performance requirements. Both Mears and SBS have struggled to make the current MTC/ SLA financially viable

31. Increasing the annual spend with SBS will allow the service to become viable as fixed costs will be spread over a larger service and peaks and troughs in work flow will be less volatile, increasing the ability to maximise staff productivity and reducing reliance on sub-contractors address peaks in work.

### **Strategic service delivery options and assessment**

32. A SWOT analysis of the proposed service delivery model is set out below

#### **Strengths**

The service will be entirely managed and delivered by council officers with a shared vision of putting the resident at the heart of the service and applying the Fairer Future Promises'

Easy identification of service provider for contact centre, residents and council officers

Leasehold costs recoverable due to competitive tendering and consultation for all chargeable works.

Reduction in procurement work and associated costs.

SBS will become financially viable

Maximise meaningful apprenticeships within the council

Running this delivery model for a one year trial ensures the council has the ability to change approach quickly should the service fail to meet the performance standards and cost effectiveness required

Improved asset information as one schedule of rates will be in operation.

Improved liaison with the contact centre will reduce avoidable contact.

One service provider across the borough will improve the consistency of service delivered to residents.

#### **Weaknesses**

No competitive tendering for internal, emergencies, voids, legal disrepair and aids and adaptation works, therefore costs would have to be based on historical data and open book accounting so costs not formally tested in the market, although this can be sought from the 'Housemark' benchmarking club

Heavy reliance on SBS to have a sustainable business model and ability to deliver.

Removes benchmarking of performance between in-house and competitively tendered external providers.

No back up arrangements for voids, disrepair or aids and adaptations.

#### **Opportunities**

Client structure would be structured for an intensive post inspection regime for

repairs that affect leaseholders with a light touch for internal works.

The council has the ability to explore alternative pricing mechanisms (Price per void/ Price per property etc.)

The council can re-define KPIs to measure performance and change these without the need for formal contract negotiations.

The council will capture accurate actual costs for delivering repairs and maintenance.

Joint working party between Environment and Social Regeneration and Housing and Modernisation will be able to:

Agree performance and programme for implementation.

Explore new delivery models

Review and streamline all existing business processes

Flexible response to changing priorities, legislation and policies.

The contact centre's role can be reviewed with the potential for savings and increased efficiency.

### **Threats**

TUPE issues for the council bringing Mears staff into the organisation.

SBS fail to deliver the contract on a sustainable profitable basis.

Sudden changes in the volumes of work streams can cause commercial pressures to the council and the SBS.

Pressure on HRA budget.

Emergency out of hours works will need to be restricted to below S20 threshold otherwise the council could be at risk of challenge and not recover its costs.

### **Delivery**

33. Bringing the non chargeable repairs work in house will have significant implications and there is much work to be undertaken relating to;
  - TUPE
  - De-mobilisation and mobilisation
  - Communication with residents and other stakeholders
  - Implications for the contact centre
  - Access to the repairs service by residents.
34. In order to make sure that this work can be delivered by the start date of October 2018, the Director of Asset Management and the Director of Environment have been working under the guidance of the Strategic Director of Finance & Governance in order to develop a full project plan and to set out the details of a new service delivery model and financial implications. It is recommended that this preliminary work be brought under the governance of a Steering Board chaired by the SDFG, involving both client and contractor side, together with Modernisation and Finance officers who will be supporting the process.
35. In order to provide assurance to Cabinet that sufficient progress is being made to guarantee a successful transition, it is proposed that a report is brought to Cabinet in March 2018 setting out a more detailed plan, including progress on the service delivery model and financial implications.

### Policy Implications

36. This report relates to the council's Fairer Future Promise of quality affordable homes and improving housing standards.
37. The Council has a commitment to ensure the repairs service improves.

### Recommended Strategic Delivery Option

#### Identified risks for the service options

The identified risks are listed below:

| No | Risk  | Description and Mitigation  |
|----|---|---|
| 1  | Delays in delivering the preferred option.                            | <p>Chargeable repair procurements have commenced to ensure contracts are in place on 3 October 2018.</p> <p>In-sourcing repairs will have a dedicated project manager assigned and a strategic review board with strategic directors representing finance, housing and environment and social regeneration.</p> <p>The chargeable repairs contracts procured can be used in emergency situations whilst full procurement is undertaken.</p> |
| 2  | TUPE  | A dedicated internal TUPE lawyer and a senior member from HR will assist with the TUPE process.   |
| 3  | Budgets   | Any option will need to be contained within the existing HRA budgets for repairs and maintenance. Forecasting and budget monitoring will be implemented and risk of over/ under spending will be actioned. A number of business rules will be introduced and monitored monthly.   |
| 4  | Provider fails to deliver minimum level of service                    | Quarterly reviews of performance would be monitored and dealt with in accordance with the SLA/ Contract terms.  |
| 5  | SBS can not deliver on a sustainable basis.                           | The proposal to 'trial' this arrangement will be supported by rigorous review against agreed delivery and improvement plans. In the event that progress is not shown at the point of a six month review, then external procurement processes will be triggered in order to provide an alternative service provision in a timely manner.   |
| 6  | No back up arrangements for voids, disrepair or aids and adaptations. | The Council's Approved list of contractors would be used to obtain competitive tenders to deliver these services as a back up arrangement   |



**Key/Non Key decisions**

38. This is a key decision.

**Next Steps**

39. There are a number of significant financial implications that will need to be identified and processes implemented to identify expenditure and maintain cost control.

A GW1 will be presented to cabinet in January 2018 to approve the procurement strategy for the chosen option.

**Service Delivery Project Plan (Key Decisions)**

| Activity  | Complete by: |
|---|--------------|
| Gateway 1/ Update Report                                      | 13/03/2018   |
| Mears long term contract ends                                 | 02/10/2018   |
| SBS SLA ends<br>(SLA can be flexible and extended at anytime) | 08/06/2019   |

**Community impact statement**

40. These services affect all council tenants and leaseholders, support the council's commitment to providing affordable quality housing, and deliver its Fairer Futures objectives.

**Social Value considerations**

41. The Public Services (Social Value) Act 2012 requires that the council considers, before commencing any procurement process, how wider social, economic and environmental benefits that may improve the well being of the local area can be secured. Social value considerations and how the delivery of these services can benefit the local area are detailed below:

**Economic consideration**

42. The economic considerations are to be in the appraisal process and will be reported in the GW1 report.

**Social considerations**

43. Bringing the service in house will mean that all council policies in respect of responsible employment. London Living Wage and FORS will automatically apply. SBS would be required to apply these policies to any remaining sub-contractors.

**Environmental/Sustainability considerations**

44. The environmental aspects and sustainability considerations are to be into the appraisal process and will be reported in the GW1 report.

**Plans for the monitoring and management of project**

45. The plans for monitoring the contract are being developed and will be reported in the progress report.

46. A balanced project team has been assembled to manage the project drawn from asset management, HR and legal.

**Resource implications**

47. The resource implications are to be in the appraisal process and will be reported in the progress report

**TUPE/Pensions implications**

48. A change in the provider of existing services, including in this case insourcing, is likely to amount to a Service Provision Change under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE). However whether TUPE will apply and the extent to which it may result in the transfer of employees will depend on a number of factors, in particular whether there is change in identity from an incumbent provider to a new provider and, if so, how the existing provider organises its workforce to deliver the services under its current contract or sub-contract for these non-chargeable repair and maintenance works. The current and future arrangements under the seven chargeable contracts being procured via the approved gateway 1 reports, may also have a bearing on the TUPE implications of the proposal under this gateway 0.
49. Due diligence needs to be undertaken with the current providers to obtain a clearer picture of the TUPE implications for the gateway 1 stage and further legal advice will be sought in light of the result of that due diligence. If there is a transfer of employees to the council from an incumbent contractor then support will be also be sought from the council's human resources department at the earliest opportunity.

**Financial implications**

50. Please see concurrent from the strategic director of finance and governance.

**Legal implications**

51. Please see concurrent from the director of law and democracy.

**Consultation**

52. Consultation between housing delivery staff has been undertaken to review what elements of the existing service work well and where improvements need to be implemented.

**Other implications or issues****SUPPLEMENTARY ADVICE FROM OTHER OFFICERS****Strategic Director of Finance and Governance**

53. The Strategic Director of Finance and Governance notes the content of the report outlining proposals for the delivery of the repairs and maintenance service for the council's housing stock from 3 October 2018, on the expiry of the current contractual relationship with Mears.
54. The proposed option is to in-source all non-rechargeable works comprising internal responsive repairs, emergencies, voids, disrepair and aids and adaptation (repairs only) for the whole borough, to Southwark Building Services (SBS) under a service level agreement (SLA). This would be for an initial trial period of twelve months, but subject to a six-month progress review.
55. This represents a significant structural change to the delivery of these services and for an operation of this scale (contract value c. £14.4m) will inevitably carry risk. These will include the management of the transition to the new arrangements,

stabilisation of the new service and the on-going management of performance and cost.

56. Historically, SBS trading performance has been variable with trading losses being repatriated to the HRA and the risk remains that this will continue given the scale of organisational transformation required within what is a relatively short timeframe. Officers are instructed to develop a full project plan and detailed service delivery model and report back to Cabinet in March 2018.
57. The Strategic Director of Finance and Governance also notes that procurement of the chargeable works contracts comprising communal, roofing and rainwater, fire protection and metal works has already commenced in order to meet the deadline of 3 October 2018 and legal obligations under S20 legislation. These contracts will be tendered and packaged by area – north and south, with the exception of metal works which is borough-wide. SBS will also be invited to tender for these works contracts.
58. Elsewhere on this agenda is the Housing Revenue Account - Indicative Rent Setting and Budget Report 2018-19, which cross-references this report. For budget planning purposes, it is assumed that the new arrangements will operate within the same budget parameters and the impact to the HRA in 2018-19 will be neutral. However, in the event of trading losses and/or cost over-runs, these will have first call against HRA reserves.

#### **Head of Procurement**

59. This report seeks the approval of cabinet of strategic assessment for the delivery of responsive repairs and maintenance works, namely to bring the non-chargeable elements of these services in-house to be provided by Southwark Building services for an initial period of 12 months. A pre-procurement report is required in Contract Standing Orders (6.3.1) for potential contracts with an estimated value of more than £10m. A detailed procurement strategy is intended to be informed by the results of a full risk assessment and business rationale which will be set out in a Gateway 1 report in due course.
60. This report also notes that preparation for the procurement of the chargeable works contracts comprising communal, roofing and rainwater, fire protection and metal works has already commenced and will be tendered subject to the approval of this report in order to meet the deadline of 3 October 2018 and legal obligations under S20 legislation. These contracts will be tendered and packaged by area – north and south, with the exception of metal works which is borough-wide. SBS will also be invited to tender for these works contracts.

#### **Director of Law and Democracy**

61. This report asks the cabinet to approve a number of recommendations relating to the future delivery of building repairs and maintenance works, and specifically instructs officers to develop detailed plans for all non-chargeable repairs and associated work to be undertaken by SBS as further detailed in paragraph 2. Contract standing order 6.3 requires that a pre-procurement assessment decision (gateway 0) is required for all services contracts with an estimated value of £10m or more, or for other strategically important contracts for services, goods or works.
62. There are no specific legal implications arising from this report. Legal officers from law and democracy will assist the asset management team as this project progresses, and will provide additional advice to cabinet when the progress report is brought in March 2018.

### Director of Exchequer

63. Those options that result in the separation of chargeable communal work from non chargeable repairs and maintenance address a long standing leasehold consultation problem with chargeable work carried out by SBS in the north of the borough. The directly appointed agreement to SBS was not a Qualifying Long Term Agreement (QLTA) under the terms of the Commonhold and Leasehold Reform Act. Under the consultation regulations, work that incurred a cost of £250 for leaseholders requires competitive quotes and a longer, two stage consultation process in order to comply. This has proved to be a substantial obstacle to the responsive nature of the service provided.
64. Those options that retain emergency response and disrepair under SBS may result in work to communal areas. Where this is the case there will be a risk around chargeability, because the nature of the work will not allow the competitive quotes and two stage consultation required for high cost work. There is allowance within practice and case law to accommodate emergency work in these circumstances; however the risk would be mitigated against by some market testing in this area to prove value for money.
65. The proposed contracts for communal, chargeable repairs will establish QLTA's for most work that is chargeable to leaseholders, enabling a more responsive service and a consultation process on more expensive work that is more appropriate to the service being provided.

### BACKGROUND DOCUMENTS

| Background Documents  | Held At                                   | Contact                        |
|---|---|--------------------------------|
| Gateway 1 Procurement Strategy Approval - Responsive Repair and Maintenance - Communal Repairs Contracts (North & South)  | Housing & Modernisation, Asset Management | Gavin Duncumb<br>020 7525 0685 |
| <b>Link:</b><br><a href="http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=5753&amp;Ver=4">http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=5753&amp;Ver=4</a> |   |                                |
| Gateway 1 Procurement Strategy Approval - Responsive Repair and Maintenance – Metal Work Contract   | Housing & Modernisation, Asset Management | Gavin Duncumb<br>020 7525 0685 |
| <b>Link:</b><br><a href="http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=5753&amp;Ver=4">http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=5753&amp;Ver=4</a> |   |                                |
| Gateway 1 Procurement Strategy Approval - Responsive Repair and Maintenance - Roofing and Rainwater Contracts (North & South)   | Housing & Modernisation, Asset Management | Gavin Duncumb<br>020 7525 0685 |
| <b>Link:</b><br><a href="http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=5753&amp;Ver=4">http://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=5753&amp;Ver=4</a> |   |                                |

**APPENDICES**

| No.   | Title |
|-------|-------|
| None. |       |

**AUDIT TRAIL**

|                       |  |
|-----------------------|--|
| <b>Cabinet Member</b> | Councillor Stephanie Cryan, Deputy Leader and Cabinet Member for Housing |
| <b>Lead Officer</b>   | Gerri Scott, Strategic Director of Housing and Modernisation             |
| <b>Report Author</b>  | Gavin Duncumb, Commercial Manager  |
| <b>Version</b>        | Final  |
| <b>Dated</b>          | 30 November 2017   |
| <b>Key Decision?</b>  | Yes  |

**CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER**

| Officer Title  | Comments Sought  | Comments included |
|--|------------------|-------------------|
| Strategic Director of Finance and Governance         | Yes              | Yes               |
| Head of Procurement                                  | Yes              | Yes               |
| Director of Law and Democracy                        | Yes              | Yes               |
| Director of Exchequer                                | Yes              | Yes               |
| <b>Cabinet Member</b>                                | Yes              | Yes               |
| <b>Date final report sent to Constitutional Team</b> | 30 November 2017 |                   |

|                                    |                                |  |                                 |
|------------------------------------|--------------------------------|--|---------------------------------|
| <b>Item No.</b><br>20.             | <b>Classification:</b><br>Open | <b>Date:</b><br>12 December 2017                     | <b>Meeting Name:</b><br>Cabinet |
| <b>Report title:</b>               |                                | Sceaux Gardens New Homes Delivery Programme          |                                 |
| <b>Ward(s) or groups affected:</b> |                                | Brunswick Park                                       |                                 |
| <b>Cabinet Member:</b>             |                                | Councillor Mark Williams, Regeneration and New Homes |                                 |

### **FOREWORD - COUNCILLOR MARK WILLIAMS, CABINET MEMBER FOR REGENERATION AND NEW HOMES**

Southwark Council is committed to doing all we can to tackle the housing crisis, a key part of this work is our commitment to build 11,000 new council homes by 2043, progress is now well underway with 375 new council homes complete, a further 85 on site, with another 246 having planning permission and a further 1,000 being consulted on with local residents. One of those schemes is on the Sceaux Gardens Estate in Camberwell, the proposals include building 81 new council homes – including family size homes. These new homes will be built on the site of the garages next to Colbert House, and on the sites of the existing single storey Racine and Florian blocks. In total there will be a net gain of 51 new council homes.

As detailed in this report there are 33 properties in these two blocks which will be redeveloped to deliver a significant increase in the number and size of council homes in their place. The proposals will also release additional land for the central gardens in the heart of the estate and other improvements to open space on the estate. The decision to proceed with this scheme is not taken lightly and the very real impact and disruption on the residents of Florian and Racine has been carefully considered against the benefits of delivering new council homes. As detailed in this report there has been significant and detailed consultation with residents on the estate and who live in Racine and Florian. As one of the local ward councillors I would like to thank the residents, the TRA, and the independent tenants' friend for their time and effort in developing and informing these proposals.

As detailed in this report there are a high number of elderly and vulnerable tenants in Florian and Racine who will need additional support through the rehousing process as detailed from paragraph 59, this includes working with social services to ensure their full needs have been identified and understood. They will be given additional support to bid for new homes, in moving home, as well as keep in touch activities with the estate whilst they wait to exercise their right to return. This report also details that all 274 one bed ground floor council homes within an 800m radius of the estate will be ring-fenced should they become vacant for tenants from Florian and Racine to move into. Through our choice based rehousing system we will work closely with all tenants to make sure they are supported at every step of the way during this difficult time

### **RECOMMENDATIONS**

That cabinet:

1. Agree the rationale and proposal to redevelop the properties 1-15 Florian, 1-18

Racine and the garage site adjacent to the Colbert block; “The development site” as outlined in this report.

2. Agree the rehousing options and local lettings policy for council tenants of Florian and Racine displaced by the redevelopment outlined in paragraphs 61-64, noting the detailed commitment to support affected vulnerable council tenants throughout the project.
3. Agree the acquisition of freehold interests in accordance with statutory guidance and established council policy as outlined in paragraphs 65-73 including specified discretionary home loss, basic loss and disturbance payments.
4. Agree to offer qualifying resident Sceaux Gardens Estate council homeowners displaced by the redevelopment the package of options outlined in paragraphs 65-73.
5. Agree the creation of the Sceaux Gardens development programme as an approved scheme for the purposes of delegation in relation to freehold acquisitions as outlined in paragraph 73.
6. Agree the authority to serve demolition notices in accordance with Schedule 5A of the Housing Act 1985 (as amended) referenced in paragraph 74.
7. Confirm the allocation of funds to undertake freehold acquisition, home and basic loss payments and disturbance payments and that the cost of decommissioning the development site will be met through the council’s Affordable Housing Fund as outlined in paragraphs 80-82.
8. Note the formal consultation undertaken with affected tenants, homeowners and the wider estate community throughout the process in accordance with Section 105 of the Housing Act 1985 and the councils Charter of Principles as outlined in paragraphs 28-50
9. Note the outcome of an equalities impact assessment attached as appendix 2 and summarised within paragraph 77 of this report that demonstrates the impact of the proposal and relevant mitigation in relation to the Equality Act 2010 and the councils Public Sector Equality Duty.
10. Note the approach undertaken with regard to the construction phasing of the development proposal to maximize the local lettings offer and minimise disruption to existing residents, neighbouring businesses and organisations in paragraph 51-52.
11. Note the two options for the massing and layout of the ground floor units of the Racine block as set out in paragraphs 53-58 and Appendix 3. It is recommended that Cabinet agrees option 2.
12. Agree the next steps and indicative timeline for the programme as outlined in paragraphs 83-85.

## **BACKGROUND INFORMATION**

13. Florian and Racine are two single story blocks of one bedroom homes which sit centrally to the Sceaux Gardens Estate, completed in 1959. They are flanked by

two taller blocks, Marie Curie House and Lakanal House. The estate sits behind the UAL Camberwell (formerly Camberwell College of Arts) and the South London Gallery. The Estate is in Camberwell, SE5 and within the Brunswick Park Ward. The current tenure mix is outlined below and a map of the development site can be found in Appendix 1.

| Tenants | Homeowners | Voids | Total |
|---------|------------|-------|-------|
| 28      | 3          | 2     | 33    |

14. The Sceaux Gardens estate has been well served by an active Tenants and Residents Association for a number of years. The South London Gallery has a good relationship with the T&RA and the council and has supported estate residents, encouraged participation in arts and cultural events, and has programmed events especially for children living on the estate. Given its location adjacent to the busy Peckham Road, the Sceaux Gardens estate sits around an enclosed green space that separates it from its inner city environment. Maintaining and supporting the community on the estate, and preserving this unique green space has been key to this proposal throughout.
15. The proposal to redevelop parts of the Sceaux Gardens estate began to take shape in early 2015, when members of the councils New Homes Delivery Team began meeting with the Sceaux Gardens Tenants and Residents Association. Following a site walk-around with the T&RA and lead members, the proposal to include the development site in the council's new homes programme, to undertake further consultation and work up a planning compliant scheme was presented to Cabinet in September 2015. Cabinet agreed with the proposal to begin design development and progress detailed consultation with existing residents, affected stakeholders and the established Sceaux Gardens T&RA.
16. The area has been subject to a number of redevelopments including the addition of a student accommodation block by UAL Camberwell, and new homes delivered by the council on the Florian shops site and the refurbishment of Lakanal House. The impact of further development upon the residents of the Sceaux Gardens estate has been a central consideration in developing this proposal.
17. Architects Weston Williamson + partners and Employers Agents CalfordSeaden were procured through the Hyde professional services framework in the summer of 2016 and a design team put in place, coordinated by the council's New Homes Delivery Team. Consultation and engagement with affected residents and stakeholders was key to this process and a project group of affected residents, local stakeholders and members of the T&RA was formed. As part of the design development process the project team has been supported by an internal planning consultant. The proposal has undergone a pre-application assessment by the councils' design and conservation department and has also been presented to the councils Design Review Panel. Feedback has been positive in relation to layout, massing and keeping the scheme in context with the local area.
18. The proposal is to develop a planning policy compliant mix of new homes (including both family and one bedroom homes on the ground floor and wheelchair accessible homes) and to increase the massing of the existing single storey homes on Florian and Racine to five and four storeys respectively. The current garage site adjacent to Colbert would be redeveloped as a six storey



block. Landscaping improvements will be undertaken to the central green and current access to the South London Gallery will also be maintained. In accordance with planning policy the scheme will be car free for new residents with the exception of dedicated parking for wheelchair users.

19. This Cabinet report is being presented for approval to proceed with the redevelopment and the undertaking of relevant statutory and constitutional functions in advance of a planning application being submitted. Design development work is at the final stages and detailed consultation with affected residents and stakeholders will continue throughout the process and beyond scheme completion.

### **Rationale for the redevelopment proposal**

20. Improving housing in Southwark is at the centre of the council's plans to create a Fairer Future for all. Access to appropriate, good quality, affordable homes is important not just for residents but also to the wider economy. It is essential to shaping a borough that all residents are proud to call a home which is truly sustainable into the future.
21. Southwark, like many London Boroughs is an area of high housing demand that far outstrips its supply. At the time of writing this report there are just over 11,000 households on the housing register, with overcrowding being the most significant reason for housing need.
22. This proposal is relevant to a number of wider strategic priorities set by the council. It's Fairer Future Promises - namely Promise 3 - to increase provision of quality affordable Homes. This proposal honours the council's commitment to provide decent homes, mixed and balanced communities and innovation in developing new council homes at social rent and sits within the programme to deliver 11,000 new homes by 2043.
23. In January 2015 the council's cabinet approved the Southwark Core Housing Strategy to 2043 and within this document are several key principles which have driven forward this development proposal:
  - We will use every tool at our disposal to increase the supply of all kinds of homes across Southwark.
  - We will demand the highest standards of quality, making Southwark a place where you will not know whether you are visiting homes in private, housing association or council ownership.
  - We will support and encourage all residents to take pride and responsibility in their homes and local area.
  - We will help vulnerable individuals and families to meet their housing needs and live as independently as possible.
24. The proposed development will deliver approximately 81 new homes, a net gain of 48 and a total of 257 habitable rooms. These new homes will meet or exceed current design specification standards such as the 2015 technical update to the Councils Residential Design Standards SPD, putting the council's core strategy principles into practice. It will provide a mix of accommodation sizes, with a

minimum of 60% being family homes suitable for three or more occupants whilst still retaining ground floor one bedroom homes for council tenants of Florian and Racine to return to. This meets the standards established in the saved Southwark Plan and London Plan and the results of the 2010 Strategic Housing Market Assessment which recognised the need for family housing in the borough. All of the new homes will be at council rent and allocated through the councils housing register.

25. Some of the homes within the development site have had minor adaptations undertaken to ensure less able-bodied residents can continue to reside in their own homes. Such adaptations however do not allow for the existing homes to be wheelchair accessible throughout. In accordance with the Councils Residential Space Standards 10% of the new homes will be built to the South East London Wheelchair Housing Design Guide. This will enable tenants whom wish to return back to the estate once completed and any new residents whom move into the homes to live with greater independence now and in the future.
26. A stock condition survey has been undertaken independently by Calfordseaden in relation to the lifecycle of key elements and any future refurbishment. The properties are structurally sound however a clear process of programmed maintenance would be required over future years. The homes at Florian and Racine are on the ground floor with garden access, however the layout and mix of unit sizes could be better served. All the units are one bed homes, and the bathroom to the properties can only be accessed through the bedroom.
27. The Sceaux Gardens estate was completed in 1959, some years prior to the implementation of the Parker-Morris space standards. The standards at the time were lower than those prior to 1948 and removed specific requirements for circulation and storage. The minimum standards outlined in the Councils Residential Design Standards SPD are 50 m<sup>2</sup>. Current proposals for replacement ground floor homes on the Florian block are 51.2 m<sup>2</sup>. A comparison between the existing homes and Southwark's current standards are below:

| Room                      | Actual size | Council's residential design standards |
|---------------------------|-------------|--|
| Gross internal floor area | 38.4        | 50                                     |
| Living room               | 13.95       | 16                                     |
| Double bedroom            | 10.53       | 12                                     |
| Kitchen                   | 4.65        | 6                                      |
| Bathroom                  | 3.65        | 3.5                                    |
| Storage                   | 0.77        | 1.25                                   |

## KEY ISSUES FOR CONSIDERATION

### Consultation regarding the development proposal

28. Effective and extensive consultation with the tenants and homeowners of Florian and Racine, the Sceaux Gardens T&RA, the South London Gallery, garage users and other stakeholders has been central to this proposal. The councils New Homes Delivery Team have ensured that dialogue has been open and transparent and that those affected have had a real say in the process and that all affected council tenants have been updated on progress. Consideration of the

impact of the redevelopment has also been assessed in the context of Equality Act 2010 and the council's statutory obligations in relation to the Public Sector Equality Duty.

29. Together with the council's statutory obligations under Section 105 of the Housing Act 1985, the New Homes Delivery Team ensured that the Councils Charter of Principles, approved by Cabinet in 2013, is adhered to. The charter sets out a number of pledges in how the council will consult on the delivery 11,000 new homes. Key extracts of this commitment are below:
- *Consultation and engagement will continue throughout the design and delivery of the programme rather than be a one-off exercise at the beginning.*
  - *We will only proceed with submitting a planning application once there has been thorough dialogue and consultation with residents.*
  - *We aim to develop new homes that meet the high standards of construction, design and environmental sustainability.*
  - *We will ensure that council homeowners affected by redevelopment get access to dedicated advice, support and information on their options for the future.*
  - *At least half of the homes we develop will be available to tenants in housing need on the estate at the first letting to make sure that local residents affected by redevelopment get a fair deal.*
30. To promote inclusion and engagement a variety of communication approaches were undertaken:
- Design and development boards were published on the councils' consultation hub website and printed copies available on request.
  - Letters were sent to all households within 100m of the scheme, inviting them to drop in meetings and keeping them updated on design development and progress.
  - Door knocking exercises were conducted to affected tenants and garage users to gather their views and to encourage their representation at meetings.
  - Project groups were formed which included members of the T&RA, local stakeholders and tenants of Florian and Racine.
  - An Independent Tenants and Leaseholders Advisor was appointed to chair project group meetings, support residents and stakeholders through the process and to report on the data gathered as part of an equalities impact assessment.
  - Open events led by Ward Councilors and Lead Members for tenants of Florian and Racine and the T&RA and all affected stakeholders.
  - Detailed telephone discussions with affected council homeowners in

advance of potential formal negotiations together with door knocking and 1-1 discussions with the private tenants of council homeowners.

31. Consultation began in early 2015, when members of the T&RA met with the New Homes Delivery Team. The objectives of building new homes for council rent, and providing rehousing for local residents was presented. The decision to include the development site in the new homes programme was approved by Cabinet in September 2015. The New Homes Delivery Team continued to meet with the Sceaux Gardens T&RA on two occasions in advance of the design team being procured.
32. In September 2016, architects and employers agents were procured to start work on the scheme and the development team was put together. All households, including council tenants, homeowners, private homeowners, housing association tenants and garage licensees on the estate and within 100m of the scheme were written to advising them of the proposals to develop the site and invited to a drop in session from 4-7pm. The architects, employer's agent and members of the councils New Homes Delivery Team were on hand to walk attendees through the initial proposals showing the boundary lines, indicative massing and the estimated timeline for the project. Residents were also encouraged to complete a survey in relation to their views and if they wished to be updated further on the development and be part of a project team This survey was available in hardcopy, published on the councils Consultation Hub and available for completion at the drop-in meeting. The council received 17 responses to the survey. Nine respondents stated that they agreed that the site identified is a good one for the provision of new homes. When asked why, those in favour cited concerns with the condition of the existing blocks, that the area was nice and would benefit new residents and that we needed to respond to a growing population. Those against the proposals cited construction logistics, disruption to the estate and to residents of Florian and Racine, many of which were vulnerable.
33. We asked residents what mattered to them most and the responses to these questions have fed back into the design brief and project group meetings:

| <b>Response</b>                                  | <b>Mitigation developed through design development</b>  |
|--|---|
| That there is an option to return                | We will ensure that there are a number of ground floor one bedroom homes with gardens for residents to move back to and have made a commitment to affected residents through a local lettings policy. |
| Minimise disruption                              | Phasing of the building works and the construction methods proposed will be central to further consultation.  |
| The council should help find replacement garages | The council has developed a relocation policy with the council's garages team to give affected garage users first refusal on void garages nearby.   |
| Not build a new road through the estate          | The refuse vehicle strategy should operate either side of the Florian block and no roads or routes of access required across the gardens.   |
| Maintain the green space                         | A clear brief for the project has been to ensure that the green space will be maintained and that the new homes fit onto the existing footprint as closely as possible.                               |

34. Door knocking was carried out to the affected council tenants on Florian and Racine by the New Homes delivery Team and the Communities Division in

- November 2016. This was to gather information to inform and equalities impact assessment and to build a rapport with affected residents, to understand their concerns regarding the proposals and to discuss an anticipated timeline.
35. The equalities impact assessment report can be found in Appendix 2 and summarised in paragraph 72. Tenants were also asked if they would wish to be part of the project group being established to be closely involved with the development process.
  36. In addition to equalities information, tenants of Florian and Racine were also asked about their housing aspirations and their ability to access council services. This information would be used to shape the local lettings policy. Council tenants were asked if they would prefer to remain in the Sceaux Gardens area, move elsewhere in Southwark, or to move out of Southwark. Of the 17 who answered the question, 14 households want to remain in the vicinity of Sceaux Gardens Estate. To access the Council's Choice Based Letting System, and to look at and bid for properties, residents need to be able to access the internet, or get help from someone to do this on their behalf. Council tenants were asked about their ability to access online services and this would inform the support package made available to council tenants if the scheme was to proceed. Of those whom responded, seven residents have internet access and five can obtain help from family or friends. 30% of those interviewed have no access to the internet and will need support to apply for new homes.
  37. Following the initial drop in meeting and the door knocking exercise the council progressed to the next stage of the consultation process which was to form a project group. The project group comprised the chair and secretary of the Sceaux Gardens T&RA, two further members of the T&RA, a resident of Florian and Racine and representatives from the South London Gallery.
  38. This group first met on the 8 November 2016. Meetings began as design-led, with attendees given a presentation on the scheme's development followed by a Q&A session regarding the design and wider concerns such as the support for residents, access to the South London Gallery and improvements to the estate as a whole.
  39. Project group meeting 2 was held on 12 January 2017. The Independent Tenants and Leaseholders Advisor, Neal Purvis, presented a guide to the planning and development process to attendees. This focused upon design and space standards, the planning process and where residents could have an input. It was requested by the T&RA that all future meetings were chaired by Neal Purvis; this appointment created independence in the meetings and strengthened the council's accountability.
  40. Project group meeting 3 was held on the 2 March 2017, meeting 4 on the 19<sup>th</sup> June 2017, and meeting 5 on the 3 August 2017. At this stage in the design development, the architects had sought agreement on the massing and positioning of the proposed blocks from the group and design had now focused upon the internal layouts. An indicative unit breakdown was provided, resulting in 81 social rented homes. The group raised some concerns with the development proposal and a summary of these and how the council would address them is below:

| <b>Response</b>  | <b>Mitigation developed through design process</b>  |
|--|---|
| Ensure vulnerable tenants are supported  | Detailed local lettings policy and support for residents through the rehousing process will be developed.   |
| Ensure no new estate roads created   | Refuse vehicles will now operate either side of the Florian block and no roads or routes of access required across the gardens.   |
| Keep green space   | New Homes do not build on the green space and stick to relatively same form. Surrounding areas to benefit from improved landscaping. The layout of the new Florian block has been turned 180 degrees and this in addition to landscape design will provide a net gain on 1,150 sqm of public amenity space. |
| Maintain access for South London Gallery   | There is now a wider entrance way for the SLG on LBS land and the option for further landscaping/community access   |
| Overlooking from new homes on Racine into South London Gallery                                   | Balconies on rear of Racine block South facing but cut in to avoid overlooking  |
| Impact on parking given there will be a loss of garages and new residents moving onto the estate | Whilst the scheme will be allocated as zero parking (with the exception of wheelchair accessible homes) the council is looking to all areas within the development to maximise the number of estate parking spaces available to residents   |
| Ensure a wind tunnel is not created between Colbert block and Marie Curie                        | Relevant wind survey carried out did not identify concerns and will be included in the planning application   |

41. As consultation and design development had been undertaken for almost 12 months and the design team was close to submitting a planning application a special meeting was set up at the Peckham Theatre adjacent to the Sceaux Gardens estate on the 7 September 2017. Letters were sent out to the T&RA and affected residents of Florian and Racine updating them on the proposals and inviting them to the meeting. Due to the recognised vulnerability of local residents invitations were also sent out by way of a door knocking exercise on 24th August. The New Homes Delivery Team asked if tenants could attend the meeting, and if they had any concerns with the proposals to develop new homes on the sites. 13 residents opened their doors and took copies of the letters with them; letters were left with the remainder. Two tenants of Racine spoke to council officers in detail regarding their wishes to move.
42. At the 7 September meeting five residents of Florian and two tenants of Racine attended, together with a further five residents from adjacent blocks that were part of the T&RA. The scheme was presented by the architects and a summary provided by Councillor Mark Williams. Overall there was support for the scheme however some concerns raised by attendees. These are outlined below and served as a brief for the design team to ensure future mitigation.

| Response  | Mitigation developed through design process  |
|---|--|
| <p>Phasing</p> <p>Attendees were concerned that an access road would affect the look and feel of the area and be unsafe for residents and visitors</p> <p>Support for vulnerable residents</p> <p>Local lettings policy</p> | <p>Further work was commissioned for Calfordseaden to consider how phasing options could improve the local lettings offer and ensure residents of Marie Curie were not surrounded by building works.</p> <p>The design team will review the tracking arrangements to ensure refuse vehicles can turn at either side of the Florian block rather than have to travel across the front.</p> <p>The New Homes delivery team had begun to develop a comprehensive support package for affected households and this would be presented to the T&amp;RA for comment. Further 1-1 door knocking will be undertaken with the residents of Florian and Racine in advance of the Cabinet Report.</p> <p>The local lettings policy would be developed further, taking into account the prevailing demand for housing in the borough and the availability of one bedroom homes in the locality. This would be circulated to the T&amp;RA and affected residents for comment.</p> |

43. On 17 October 2017 the new Homes Delivery Team were invited to a Sceaux Gardens T&RA meeting. Cllr Mark Williams presented a draft paper developed by the New Homes Delivery Team which outlined three key elements of the design and rehousing process to be agreed with the T&RA and affected residents. The paper had been presented to the T&RA in advance. This report outlined:

- Phasing options: Concerns from previous meetings were that phasing in more than two stages would have cost and time implications and any residents did not wish for the area to be a building site for a number of years. It was proposed that the garage site and Florian would be developed first followed by the Racine block. This would enable residents to move directly from Racine to the new homes on the other side of the gardens if they wished. Households that had moved from Florian would receive an option to return to either of the sites once completed. The priority for the option to return would be determined by those that had expressed an interest following consultation and each tenants length of residency on the estate. Those that had resided the longest would get first priority.

- The local lettings proposal and support for local residents was welcomed, however attendees were skeptical as to whether the council would deliver on its promises. The New Homes Delivery Team made clear that supporting vulnerable tenants was key to the proposal and resources would be in place.
- Ground floor homes on Racine: To meet the needs of the households wishing to return to the estate and to ensure that there are family homes with gardens as part of the development it was proposed that the new homes on Racine are family homes, with all one-beds on the ground floor of Florian. The two layout options are presented in appendix 3. The provision of one bedroom homes on Racine is study one, whilst study two offers ground floor four bedroom homes.

44. In early November, the New Homes Delivery Team contacted the tenants of Florian and Racine and offered the opportunity to talk through the proposals in advance of this report being presented to Cabinet. Over two days council officers were able to speak with the majority of the tenants in their own homes, providing an update and advising that a recommendation to proceed with the scheme would be taken to the council's Cabinet in December 2017. Officers explained the local lettings policy and the support being given to council tenants if the scheme was to proceed. It was also an opportunity to enquire and record council tenant's interest in returning to the completed homes to inform the final scheme design, unit mix and layout. The responses to this are outlined below:

| Rehousing option  | No. respondents |
|---|-----------------|
| Wished to return to the new homes once completed                                | 6               |
| Wished to be rehoused in the local lettings area or another part of the borough | 16              |
| Were awaiting scheme approval or did not wish to discuss at this point          | 3               |
| Demonstrated some vulnerability and unable to provide a response                | 3               |

45. Other than asking residents about their interest in an option to return to the completed homes, council officers explained the local lettings offer and the process of bidding and applying for homes. As extensive consultation had taken place over the last 12 months the proposal was understood by the majority of tenants and opposition to the development proposal was not forthcoming.
46. On 15 November the Independent Tenants and Leaseholders Advisor met with the T&RA and a draft copy of this report was circulated in advance for comment. The following statement was provided by the T&RA:

*"The Sceaux Gardens TRA supports the provision of new Council homes for Council rent as part of the Council's overall targets. Members of the TRA have been involved in developing the plans and proposals for the new homes on Sceaux Gardens".*

47. The T&RA also made further comments which are summarised below:



| Response  | Mitigation developed through design process   |
|---|---|
| <p>The building of new higher blocks will have an impact on the existing residents on the estate, both during the construction phase, and through more buildings and people on the estate in the long term. The TRA see a two phase process as the least worst option. The Florian shop site is relevant to the effect on neighbouring residents and the effect of building works on those living on the estate.</p>  | <p>The council will develop a phasing strategy to minimise the impact upon residents. There is ongoing dialogue and partnership working with other schemes on the estate. If the scheme approved, regular consultation with the T&amp;RA and the contractor will take place to mitigate any concerns. The contractors will work to the considerate construction framework. 50% of the new homes will be ring fenced to local residents in housing need.</p> |
| <p>In relation to the local lettings policy: Will there be an OT assessment and relevant adaptations made before residents move to un-adapted one bedroom homes in the Local Lettings Area?</p> <p>The bidding service offered to vulnerable residents needs to be explicit and include weekly feedback on the success of bids and weekly attendance by the mobile housing office</p>   | <p>The council will always try to ensure residents can choose to move into a home that is already adapted. If this is not available works to general needs properties will be undertaken in advance of occupation</p> <p>Tenants will be contacted by telephone each week both in advance of bidding and when bidding closes. The mobile housing office will be available at the start of the process to support tenants joining the housing list.</p>      |
| <p>Some residents will need assisted viewings of properties they have been successful for</p> <p>Parking is a problem on the estate as there are insufficient parking spaces for existing residents. It is a cause of conflict on the estate. The increase in the population with the addition of new homes at Florian shops, with parking spaces only for the wheelchair homes, will make the situation worse. Demolition of the garages will reduce the car parking spaces available. Very few of the existing residents of Florian and Racine have cars. Replacing the homes with 80 new homes will lead to an increase in competition for car</p> | <p>This will form part of the local lettings support service.</p> <p>Identifying parking provision on the estate is an ongoing process. Whilst the new homes will be advertised as car free, the impact of the removal of garages needs to be assessed.</p> <p>This will be a key agenda item at the next Project Group Meeting.</p>  |

| Response   | Mitigation developed through design process |
|--|---|
| parking spaces. There needs to be an increase in car parking spaces on the estate to provide for the existing and increasing population. |   |

48. On the 21 November a sixth project group meeting was held in advance of the recommendation to Cabinet. An update on the removal of the refuse access road and relocation of bin provision was welcomed. Parking was discussed in detail and a number of options were outlined to the project group. These discussions would run concurrently with the planning process and the councils relevant decision making processes in relation to estate parking:
- Additional parking surveys undertaken to the required methodology together with a clear definition of the planning requirements surrounding parking provision.
  - Proposal to use additional space to the rear of Racine to create nine parking spaces. This would require the removal of nine of the garages on that site and this was of concern to a member of the project group.
  - Revisiting previous requests by the T&RA to provide additional parking adjacent to the new Lakanal shops development.
49. The layout and unit mix of the scheme was also discussed in detail in advance of this report being prepared for Cabinet. Discussions were focused around not only the option to return for the affected tenants of Florian and Racine but also both the legacy and long term occupation of the homes once completed. There was no consensus view from the project group on the matter with views supporting both the need for family units on the ground floor of Racine and for further one bedroom homes.
50. The T&RA noted that they would be awaiting the outcome of the cabinet decision and council officers advised that consultation with the T&RA would continue throughout the project. On behalf of the council, officers would like to thank the project group for their time and dedication in relation to this project, providing feedback on the needs of residents and how the development should both enhance and maintain the estate.

### **How the development proposal has responded to consultation feedback**

The following sections of the report present how the council has responded to the points and concerns raised by the Project group, T&RA and affected residents.

#### **Phasing of the development works:**

51. Three phasing options were developed throughout the consultation process and presented to the T&RA in October 2017 for final comment and approval:
- Rolling decant, whereby the work is completed in approximately six phases. This could ensure that residents can move directly from their old

homes to those on the new site but would involve the estate being subject to construction works for a number of years. Discussions with T&RA members and members of the project group have indicated that such a timeframe would not be satisfactory.

- Obtaining vacant possession of all three sites and developing them together was not considered as the most appropriate option in light of feedback from affected residents and the T&RA, and would in effect surround the Marie Curie block with building works.
- A two-phase process which would see the development of the Colbert Garages and the homes on the Florian block, followed by Racine. This will enable tenants of Racine to move directly into new build on the former garage site and Florian. This option was suggested to not only improve the housing offer to affected tenants but to also ensure that residents of other blocks on the estate, namely Marie Curie, are not surrounded by development works during the build programme. This option has support from the councils planning department.

52. When the option was presented to the T&RA in November 2017 both in discussions with the Independent Tenants and Leaseholder advisor on the 15<sup>th</sup> November and the Project group meeting of 21 November this third option, of building the scheme in two phases was supported and will form part of the procurement and construction strategy.

### **Design development and homes on the ground floor**

53. The development site comprises 33 ground floor one bedroom homes of which 28 are currently occupied by secure council tenants. Consultation with affected council tenants has been key in determining how many ground floor homes were required to be re-provided for them to return to. The architects developed two options depending upon the interest from tenants in returning to the new homes once completed. The proposal to provide family homes on Racine was put to the project group in August 2017 and at subsequent meetings with residents, the wider T&RA and further project group meetings.

54. The two options are laid out below:

- Option 1: This provides 15 one-bedroom homes across the site with 15 being situated on the ground floor a further 1 one bedroom home above the ground floor with all the family homes but three situated above the ground floor.
- Option 2: This provides for 17 one bedroom homes overall but with only 10 on the ground floor (9 on on Florian and 1 on the garage site) and a further 7 one-bedroom homes above ground floor across the site. The ground floor of Racine would then provide 8 four-bedroom family homes as well as further family homes across the site above the ground floor.

55. Following detailed consultation with the tenants of Florian and Racine in November 2017 it was identified that six definitely wished to return, three were undecided and three would likely need additional support with moving and were unable to answer the question. As 16 households wished to be rehoused in the locality the local lettings policy would resolve the majority of rehousing need on

the estate and the provision of one-bedroom homes across both options was sufficient.

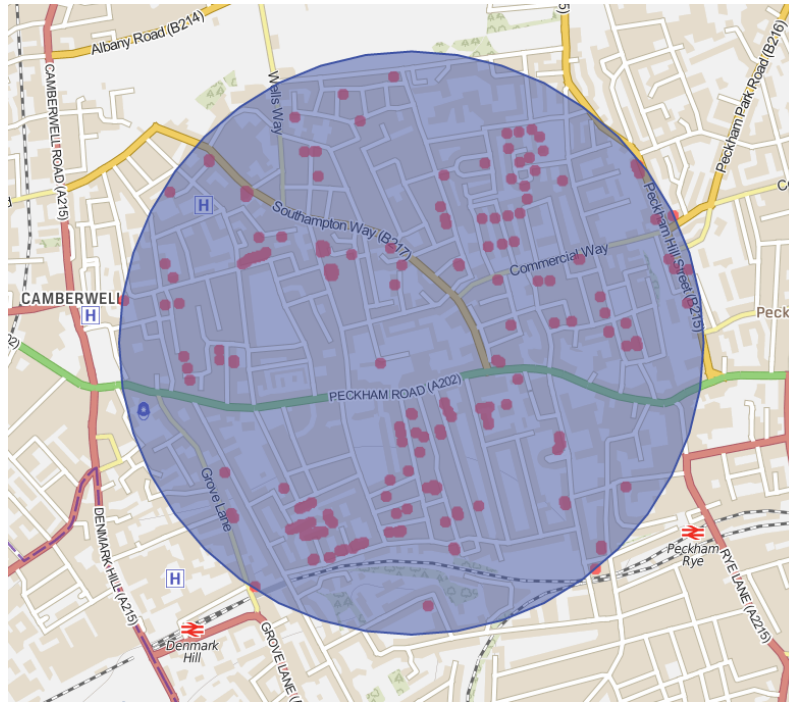
56. There is no consensus view from the project group, residents of Florian and Racine or the T&RA on the matter. The Project group are aware that the largest group of households in housing need are those in overcrowded accommodation however also understand that there need to be one bedroom homes for older residents to downsize to.
57. The 2015 technical update to the Councils Residential Design Standards SPD states that *“Wherever possible larger units should be provided at ground level, to ensure access to private amenity space. Units designed as family units should be provided at the ground level”*.
58. After careful consideration and analysis of housing need and relevant policy that option two is preferred and recommended to be agreed subject to planning policy variations and approval.

#### **Support for council tenants requiring rehousing assistance:**

59. As made clear throughout this report a number of council tenants residing at the Florian and Racine blocks are vulnerable, whether this is through physical health, old age, mental health or a combination of all three. As such special consideration has been given in ensuring that support is provided throughout the development proposal and tailored to the individual needs of the residents we have met and discussed the proposals with. In addition to this, there has been an emphasis upon ensuring that the council tenants of Florian and Racine can remain in the local vicinity. Both of these key factors have led to the development of a local lettings policy and support package specifically for this development.
60. Best practice from previous council-led regeneration programmes such as the Elmington estate together with extensive consultation has shaped a bespoke local lettings policy for affected council tenants. This satisfies the requirements of Section 7.10 of the councils published Allocations Scheme in relation to the development of local lettings policies.
61. The policy was presented to members of the T&RA in advance of a meeting with residents on the 13 October 2017. During the meeting Councillor Mark Williams presented the report and attendees were able to give feedback. Overall the response was positive. The report would be provided to the T&RA and the Independent Tenants and Leaseholders Advisor for review and comment in advance of it being presented to Cabinet.

#### **Florian and Racine local lettings policy**

- Band 1 priority for council tenants, backdated to when the scheme was first included in the direct delivery programme (15 September 2015)
- First refusal to council tenants on all available properties which meet residents needs located within the local lettings area agreed with the T&RA. This includes council voids and new build homes together with housing association new builds voids where the council has nomination rights. This is a radius of 800 metres from Florian and Racine and includes 274 ground floor one bedroom council properties:



- To obtain vacant possession of the council's tenanted properties and minimise the need for possession proceedings council tenants will receive the full package of statutory and discretionary rehousing assistance in the form of mandatory or discretionary Home Loss payment, currently £6,100 together with assistance with reconnection of utilities and removal costs in accordance with Section 26 of the Housing Act 1985.
  - Following from consultation with affected residents and the T&RA regarding the vulnerability of households affected by the development, support will also be provided to help vulnerable households pack and unpack their possessions and locate furnishings.
  - Whilst we intend to ensure that council tenants can make the right move first time to the vicinity of the Sceaux Gardens estate, an option to return to the new homes on the Sceaux Gardens Estate will be made available:
    - To the new homes being developed as part of this scheme
    - To the new homes being developed as part of the Florian Shops proposal
    - Any other void properties on the Sceaux Gardens Estate and local lettings area.
    - Priority for exercising the option to return will be based upon length of residency with those whom have resided on the estate the longest given first refusal.
62. To support the vulnerable council tenants on the estate the following will be put in place:
- An information pack advising of the rehousing process, and details for a single point of contact with regard to registration, application, rehousing and any post-tenancy issues. This will be available in large print and

different languages as required.

- The council's mobile housing office will be made available on the Sceaux Gardens estate at the start of the process to enable households to submit documents and complete housing application forms. Documents can be scanned instantly.
  - Medical and Occupational Therapy assessments will be completed with 1-1 support to ensure that residents' needs are captured and households are able to move directly to a home that meets their medical needs with aids and adaptations already in place before they move.
  - Weekly bidding support and signposting through telephone and face to face discussions will be provided to council tenants to support them through the process and to help them find a home they want.
  - Council tenants will be able to access a range of homes to meet their needs from general needs properties, specifically adapted homes and sheltered and extra care schemes.
  - Inter-agency partnership working will be promoted across the New Homes Delivery Team, Community Engagement Division, Housing Solutions and Resident Services together with relevant voluntary groups and adult social care.
  - Regular newsletters to residents advising them of the stages in the process and ensuring that these are made available in large print and different languages upon request.
  - Regular review of engagement to ensure that residents can access the supply of available empty homes and that the policy is assisting the most vulnerable residents. This would include weekly feedback on bids placed.
  - Vulnerable residents would be supported with viewing properties they had applied for.
  - Tenants whom have vacated the site and wish to exercise an option to return will be invited to further consultation meetings and encouraged to engage with the local community to ensure that they maintain a connection to the estate, such as at monthly coffee morning events held by the T&RA.
63. Whilst the local lettings proposal and support to affected residents should enable households to move within the proposed timeframe, the council will serve a Notice of Seeking Possession (NoSP) for all the council tenanted properties at Florian and Racine. This will be undertaken using ground 10 in schedule 2 of the Housing Act 1985. Any such notices will be served following detailed discussions with tenants, detailed bidding support and a review of their position on the councils housing list.
64. We aim to ensure that residents are confident in the process, that we meet their aspirations in finding a home that meets their needs and that they feel supported by the council throughout the process. Consultation with affected residents will continue throughout to ensure that the processes in place are putting residents first. A further report will be presented to cabinet in the summer of 2018 to

update on progress in relation to rehousing.

### **Support for council homeowners requiring rehousing assistance**

65. Leaseholders and freeholders of council property (council homeowners), represent a large and growing group of residents within the borough. There are presently over 15,000 council homeowners in Southwark and that number continues to grow. The council has recently developed the My Southwark Homeowners service to build upon past experience and lead on providing customer service excellence to homeowners and this department has been consulted regarding the project. The process for council homeowners will run parallel with the rehousing process for council tenants and informal consultation has been undertaken.
66. The council owns the freehold interest with the exception of three properties on the development site. The Housing Act 1985 gives qualifying council tenants the right to buy their homes and the properties were purchased under these provisions.
67. The council can only repurchase the freehold interests in the following circumstances:
  - Where there is an agreement with the freeholder; or
  - Following a confirmed compulsory purchase order.
68. The statutory compensation code provides that a freeholder is entitled to the following compensation following a compulsory acquisition:
  - The market value of the freehold interest acquired
  - A home loss or basic loss payment: this is 10% of the market value where the homeowner resides at the property or 7.5% of the market value where the homeowner is non-resident; and
  - A disturbance payment to cover the homeowner's reasonable costs arising from a direct and natural result of the compulsory acquisition. This might include removal costs, legal fees, surveyor's fees and costs of adapting a new property. A claim for disturbance payment will be examined on its relevance to the acquisition.
69. In the event the council is unable to reach an agreement by negotiation, a separate authority will be required by Cabinet to make, confirm and implement a compulsory purchase order.
70. A case management officer will be assigned to each individual council homeowner as a direct point of contact. The council will appoint its independent external surveyor and homeowners will also be encouraged to seek their own RICS certified surveyor. Reasonable expenses can be claimed back in accordance with existing statutory provisions and council policy.
71. The council will seek to acquire freehold properties by way of voluntary agreement and the homeowners will receive mandatory or discretionary home loss or basic loss payments. Council homeowners seeking re-housing

assistance will be required to undertake a financial valuation of their means and on the basis of this assessment will be advised of an appropriate option from one of the three below:

- Purchase a new property on the open market
- Purchase a new property through a Housing Association
- Seek rehousing assistance from the council (shared ownership, shared equity or offered an introductory tenancy within Southwark).

72. The re-housing options for council homeowners listed above have been applied in conjunction with previous cabinet-approved policies on rehousing homeowners affected by regeneration schemes such as the Aylesbury Estate

73. This report also requests that the Cabinet delegate authority to the Strategic Director of Regeneration to approve the acquisition of the freehold interests.

#### **Future homeowner applications**

74. To prevent future right to buy applications from the residents of Florian and Racine the council will be required to serve demolition notices in accordance with Section 5A of the Housing Act 1985 (as amended). This report seeks authority from Cabinet to approve this process and delegate the serving of such notices to the Strategic Director of Housing and Modernisation.

#### **Support for other residential occupiers**

75. Two of the council homeowners have let their freehold properties to private tenants. These tenants have been part of the consultation process and advised of their statutory rights with regard to seeking rehousing advice and assistance from the council under Part vii of the Housing Act 1996.

#### **Support for garage occupiers**

76. There are 24 garages adjacent to the Colbert block and the current occupiers have been written to, invited to drop in meetings and involved in the consultation process. The New Homes Delivery Team has an existing policy in place to support garage occupiers affected by the new homes programme which enables them to seek alternative garage provision within the vicinity of the Sceaux Gardens Estate and be considered a priority for any available voids. If the proposal is approved it is likely that garage users will be able to continue occupation until contractors start on site, as the council can seek possession without the need for a court order.

#### **Community impact assessment**

77. Council officers began undertaking an equalities assessment data collection exercise in September 2016. This was undertaken in accordance with Section 149 of the Equality Act 2010. The council is committed to having due regard to equalities legislation and good practice in its policy and decision making. The Act states that to advance equality and good relations and to avoid discrimination nine protected characteristics should be addressed. The data collected was analysed by the Independent Tenants and Leaseholders Advisor whom identified the mitigating



actions required by the council and provided a snapshot of the consultation process as of August 2017. The full report is included in appendix 2 and a summary of findings and mitigation below:

| Protected characteristic   | Mitigation required  |
|--|--|
| <p>Age</p> <p>Of the 20 respondents to the survey, seven (35%) are over the age of 65. Only one (5%) is under the age of 35. The majority (55%) are aged between 35 and 64.</p>  | <ol style="list-style-type: none"> <li>1. Choice based lettings will enable tenants' choice in finding a suitable property. The new build homes on the estate will all be built to Lifetime Home Standards and will include 10% wheelchairs.</li> <li>2. The Council will offer help to pack/unpack and organise moving for tenants who are decanted.</li> <li>3. Freeholders who qualify for rehousing assistance will be registered for the choice based lettings system. The Council offers rehousing assistance through ownership or reversion to tenancy. Council homeowners who do not qualify for Council assistance can choose their next home, in line with their housing needs, within the budget they have following buyout.</li> <li>4. Sub-tenants made homeless as a result of the councils acquisition of council homeowners are able to obtain alternative, accommodation via Southwark if they qualify for housing assistance.</li> </ol> |
| <p>Health and Disability</p>   |  |
| <p>Two thirds of the residents who responded have long term health issues that limit their day to day activities. Half of the residents reported that health problems impaired them a little and a quarter that they were impaired a lot. The cause of this was a physical or mobility disability for the great majority of residents.</p> | <ol style="list-style-type: none"> <li>1. Choice based lettings will enable tenants' choice in finding a suitable property. The new build homes on the estate will all be built to Lifetime Home Standards and will include 10% wheelchairs.</li> <li>2. The Council will offer help to pack/unpack and organise moving for tenants who are decanted.</li> <li>3. Freeholders who qualify for rehousing assistance will be registered for the choice based lettings system. The Council offers rehousing assistance through ownership or reversion to tenancy. Freeholders who do not qualify for Council assistance can choose their next home, in line with their housing needs, within the budget they have following buyout.</li> <li>4. Sub-tenants made homeless are able to obtain alternative, accommodation via Southwark if they qualify for housing assistance.</li> </ol>  |
| <p>Gender re-assignment</p>  |  |

| Protected characteristic  | Mitigation required   |
|---|---|
| Of the 14 residents who responded to the question on gender re assignment. Two were transsexual and 12 were not.  | <ol style="list-style-type: none"> <li>1. Both Southwark housing management and housing associations have policies and officers in specialist teams to deal with anti-social behaviour such as the Southwark Anti-Social Behaviour Unit.</li> <li>2. Choice based letting system; with a local letting scheme for new build homes on Sceaux Gardens will give tenants/ residents a choice of where they can move to.</li> <li>3. Eligible sub-tenants who wish to remain in the area can register on the Council's housing waiting list.</li> </ol> |
| <b>Marriage</b>   |   |
| Of the thirteen respondents to the question about their marital status there was an even spread between Married or in a Civil Partnership, Divorced and Never Married, with one person identifying themselves as separated. | Mitigation is not required regarding this protected characteristic  |
| <b>Marriage and civil partnership</b>   |   |
| None of the 15 respondents were pregnant or on maternity leave.   | Mitigation is not required regarding this protected characteristic  |
| <b>Ethnicity</b>  |   |
| Of the 19 respondents to the question on ethnicity, 10 were White (53%), 7 were Black (37%) and 2 (11%) defined themselves as another ethnicity.  | The majority of respondents were identified as White, with around a third identified as Black. However, the rehousing policy does not disadvantage or discriminate against any race or ethnic group as both are applied fairly and equally to all groups throughout the process, and offers all tenants the option to remain within 800m of their existing home at Sceaux Gardens   |
| <b>Religion and Belief</b>  |   |

| Protected characteristic  | Mitigation required   |
|---|---|
| Of the 14 respondent to the question on religion, 9 people were Christian (56%), with 4 respondents having No Religion (25%).                 | Choice based letting, priority over new build will give tenants the ability to remain the area. |
| <b>Sex</b>  |   |
| Four of the respondents did not answer the question identifying their sex. There were slightly more men than women among those who responded. | Mitigation is not required regarding this protected characteristic                              |
| <b>Sexual Orientation</b>   |   |
| The great majority of the 15 who responded to the question on sexual orientation were heterosexual.   | Mitigation is not required regarding this protected characteristic                              |

### Resource implications

78. The development is being project managed by the councils New Homes Delivery Team within its Asset Management division. Support with regard to freeholder acquisitions will be provided by the Regeneration department and the MySouthwark Homeowners Agency. Support for tenants rehousing will be undertaken by Resident Services with support from the Communities Division and New Homes Delivery Team. The Independent Tenants and Leaseholders Advisor service provided by Open Communities is funded by the Communities Division also. No additional resources are required.

### Legal implications

79. A planning application is yet to be submitted for the scheme. Council tenants may be required to be evicted under Ground 10 of schedule 2 of the Housing Act 1985 (as amended). The council homeowners may challenge the offer made to them to acquire their properties and further reports to Cabinet may be required.

### Financial implications

80. The scheme is part of the council's direct delivery programme and is funded through a combination of right to buy receipts and S106 receipts.
81. Schemes within the New Homes delivery Programme are subject to viability assessments throughout their lifecycle. The costs of procured services and works, acquisition of freeholder properties and associated costs together with tenant home

loss payments were taken into consideration at various development milestones within the project.

82. Once the scheme is submitted for planning application the viability model will be published on the councils planning website in accordance with the Southwark Development Viability SPD 2015.

### **Next steps in the process**

83. Subject to relevant approvals the following indicative timeline is likely to apply:

|                        |   |
|------------------------|---|
| December 2017- ongoing | Design development and public consultation continues  |
| January 2018           | Submission of planning-policy compliant scheme.   |
| January 2018           | Register Households into Band 1<br>Begin formal negotiations with council homeowners<br>Serving of demolition notices to halt the right to buy. |
| January 2018-ongoing   | Weekly bidding support to affected residents.<br>Negotiations with council homeowners.  |
| January 2018-ongoing   | Progress meeting with Resident Project Group, lead members and ward Cllrs as appropriate.   |
| February 2018          | Report to Cabinet seeking approval of a procurement strategy  |
| April 2018             | Unless delegated, planning committee meeting to approve the scheme.   |
| Summer 2018            | Update to cabinet on rehousing process  |
| September 2018         | Serving of Notice of seeking possession on affected council tenants.  |
| Early 2019             | Review of vacant possession date  |

84. The above timeframes are indicative and subject to the outcomes of the planning process and the ability for households to be supported in finding alternative accommodation.
85. Consultation with the T&RA, affected households and lead members will continue throughout the process. A procurement strategy report will be presented to Cabinet in spring 2018.

### **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

#### **Director of Law and Democracy**

#### **The Equality Act 2010**

86. The Equality Act 2010 requires the council, when taking decisions, to have due regard to the need to:

- (a) Eliminate discrimination, harassment, victimisation or other prohibited conduct;
  - (b) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it;
  - (c) Foster good relations between those who share a relevant characteristic and those that do not share it.
87. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. The duty also applies to marriage and civil partnership, but only in relation to (a) above.
88. Paragraph 77 and Appendix 2 set out the details of the Equalities Impact Assessment that has been carried out in conjunction with consultation and summarises the findings and, where any possible disproportionate effects have been identified on groups sharing protected characteristics, the mitigation proposed so as to discharge its public sector equality duty. Members should have due regard to this when considering the recommendations.

### **Consultation**

89. The report recommends the redevelopment of 1-15 Florian and 1-18 Racine as well as the garage site adjacent to the Colbert block (the proposed site) and rehousing options for displaced residents. The report sets out the consultation carried out to date, the responses received and consideration given to them in seeking the recommendations in this report. The law requires that consultation must be undertaken when proposals are at a formative stage and include sufficient information and time for interested parties to respond. This must be satisfied for fair and proper consultation with the outcomes being taken into account in the final decision making process.
90. There are also specific provisions for consultation with secure tenants under Section 105 of the Housing Act 1985 which require the council to consult with those of its secure tenants likely to be substantially affected as a whole or as a group by a matter of housing management which, in the council's opinion as landlord, represents a new programme of maintenance, improvement or demolition, or a change in the policy or practice of the council. There are 28 properties occupied by council secure tenants and the proposed redevelopment programme and rehousing will affect all the secure tenants as a group on the proposed site.
91. Cabinet members should satisfy themselves as to the consultation carried out and take into account the outcome of the consultation when making decisions on the recommendations.

### **Re-housing - secure tenants**

92. In the case of secure tenants' the council will be required to provide suitable alternative accommodation under the Housing Act 1985.
93. The report recommends that tenants displaced from Florian & Racine are given priority re-housing within the local area under a local lettings policy and are also

offered an option to return to the new build properties. This is a matter of discretion for the council and members should carefully consider this when considering the recommendations. If agreed, the local lettings policy will need to be implemented in accordance with the council's allocations policy.

### **Acquisition of council tenancies**

94. The council will seek to re-house secure tenants by agreement to suitable alternative accommodation however where agreement is not possible the Council has the ability, following service of the requisite statutory notice of seeking possession, to bring a claim for possession against its secure tenants under Ground 10 of Schedule 2 of the Housing Act 1985 which is worded as follows:

*The landlord intends, within a reasonable time of obtaining possession of the dwelling- house*

*to demolish or reconstruct the building or part of the building comprising the dwelling-house, or*

*to carry out work on that building or land let together with, and thus treated as part of, the dwelling-house,*

*and cannot reasonably do so without obtaining possession of the dwelling-house.*

95. The court will not make an order for possession of a dwelling-house let under a secure tenancy on Ground 10 unless it is satisfied that suitable alternative accommodation will be available for the tenant when the order takes effect. The Council may also acquire possession of tenanted properties under a compulsory purchase order and a further report to Cabinet would be required. The Land Compensation Act 1973 contains provisions for payment of compensation.

### **Re-housing – occupying homeowners & private tenants**

96. In the case of the three freeholders, the council is not generally required to re-house those occupying homeowners and private tenants who are displaced by redevelopment. However, in certain circumstances a limited duty may arise under Section 39 of the Land Compensation Act 1973 which requires local housing authorities to re-house residential occupiers who are displaced from residential accommodation in circumstances that include where land is acquired by a local authority possessing compulsory purchase powers. The duty to re-house only applies where suitable alternative accommodation on reasonable terms is not otherwise available and council will need to look at the circumstances of all displaced persons.

### **Acquisition of freehold interests**

97. Section 120(1) of the Local Government Act 1972 (“the 1972 Act”) authorises the council to acquire any land by agreement for the purposes of (a) any of its statutory functions or (b) for the benefit, improvement or development of its area. By virtue of Section 120(2) of the 1972 Act the council may require by agreement any land for any purpose for which it is authorised by the 1972 Act or any other

Act to acquire land, notwithstanding that the land is not immediately required for the purpose; and, until it is required for that purpose, it may be used for the purpose of any of the Council's functions. Section 227 of the Town and Country Planning Act 1990 also enables the council to acquire land by agreement if it will facilitate the carrying out of development, redevelopment or improvement on or in relation to the land if this is likely to contribute to the achievement of the promotion or improvement of the economic, social or environmental well-being of its area, or if it is required for a purpose which is necessary to achieve in the interests of the proper planning of an area in which the land is situated. Therefore, there are adequate powers available to the council to acquire the freehold properties by agreement.

98. The Department for Communities and Local Government Guidance of compulsory purchase process and the Crichel Down Rules for the disposal of surplus land acquired by, or under the threat of, compulsion (29 October 2015) states that the council will be expected to demonstrate that it has taken reasonable steps to acquire all of the land and rights to be included in any compulsory purchase order by agreement. The Land Compensation Act 1973 contains provisions for payment of compensation.

#### **Garage occupiers**

99. In the case of the 24 garage occupiers, the council may obtain possession by determining the licence arrangements without a court order.

#### **Compulsory purchase**

100. In the event that the council is unable to reach an agreement with the three freeholders, obtain possession of the secure or private tenanted properties or the garages, the council could acquire their interests in the properties under a compulsory purchase order and a further report to Cabinet would be required to make, confirm and implement a compulsory purchase order.

#### **Payments under the Land Compensation Act 1973**

101. The recommendation that Florian and Racine be demolished will trigger a displacing event under section 29 (1)(c) and potentially 29 (1)(e) giving rise to mandatory home loss payments where the relevant conditions set out in sections 29 and 32 are met.
102. Under Section 29 (1)(c) a displacing event occurs where a person is displaced (permanently) from a dwelling in consequence of land that has been previously acquired by an authority possessing compulsory purchase powers or appropriated by a local authority and is for the time being held by the authority for the purpose for which it was acquired or appropriated, the carrying out of any improvement to the dwelling / house or building on the land or redevelopment on the land (which would include demolition).
103. Under Section 29(1)(e), any order for possession made under ground 10 (in relation to secure tenants) is also a displacing event.
104. Section 29 (2) provides that mandatory home loss payments are only to be payable where the displaced person has been in occupation of the dwelling as his only or main residence throughout a period of one year ending with the date

of displacement and, has occupied by virtue of an interest or right to occupy the dwelling as prescribed at sections 29 (4) (a) to (e).

105. There are provisions under sections 32 (3), (3A) and (5) as to the periods, persons and dwellings to be taken into account in calculating the one year period of occupation and these will need to be considered if any persons do not at first glance meet the one year requirement.
106. The key provision relating to the basis of a person's occupation is set out at section 29 (4)(a) as being "any interest in the dwelling". Freehold, leasehold and any tenancies are sufficient interests. As such the right to a mandatory home loss payment can arise in respect both occupying homeowners, tenants of the council and other tenants of third parties (such as the tenants of non-occupying homeowners) provided that they meet the conditions of section 29 (2).
107. This position is supported by the Court of Appeal case of Khan –v- Islington BC (1999) where LJ Laws remarked that "the legislation otherwise and in its original form contemplated displacement and conferred an entitlement to home loss in a number of disparate circumstances, by no means all of which involve the relationship of landlord and tenant". The case also supports the contention that lawful undisputed related debts owed may be set off against any home loss payment due such as rent arrears or service charges.
108. Section 30 sets out the amount of mandatory home loss payment in respect of occupying owners' interests and all other interests as prescribed by the Home Loss payments (prescribed Amounts) (England) Regulations 2017 (SI 2017/769), effective from 1 October 2017 ("the Regulations").
109. Section 30 (1) and the Regulations provide that in the case of an owner occupier the amount of home loss payment is set at 10% of the market value of their interest in the dwelling subject to a minimum of £6,100, and a maximum of £61,000.
110. Section 30 (2) and the Regulations provide that the amount of home loss for other interests shall be £6,100.
111. Owners who are not in occupation and so not entitled to a home loss payment will on compulsory acquisition where they have held a qualifying interest in land held for a period of not less than 1 year instead be entitled to a mandatory basic loss payment under Section 33A. The amount of the basic loss payment is the lower of either 7.5% of the value of their interest or £75,000.
112. Section 33C also provides that certain other occupiers not otherwise entitled to home loss will on compulsory acquisition be entitled to an occupiers loss payment of the greater of either 2.5% of the value of their interest up to a maximum of £25,000.
113. Where persons hold an interest but are not eligible for mandatory home or basic loss payments discretionary payments may be paid under Sections 32(7), 32(7B) and 33J). The report intends that such discretionary payments be made to qualifying persons to facilitate vacant possession by agreement.

### **Payments in respect of occupying tenants**



114. Those tenants (council and otherwise) in occupation at the date of displacement and who have held a tenancy and been in occupation as their only or main residence for one year prior to their displacement will be entitled to a mandatory home loss payment. However, Section 29(2) also contains provision that if an occupier who satisfies the requirements of Section 29(2)(a) and (b) and the date of displacement but not throughout the preceding year a discretionary payment may be made of an amount not exceeding that which he would have been entitled had the 1 year condition been satisfied.
115. Details of any private tenancies granted by or on behalf of the non-occupying homeowners will need to be obtained and assessed to see whether the tenants meet the requirements for any loss payment.
116. Where acquisition is obtained by agreement without getting a possession order it is intended that an equivalent discretionary payment be made as provided for by Section 32 (7B) :-

*Where a landlord obtains possession by agreement of a dwelling subject to a secure tenancy within the meaning of Part IV of the Housing Act 1985 and—*

*(a) notice of proceedings for possession of the dwelling has been served, or might have been served, specifying ground 10 or 10A in Part II of Schedule 2 to that Act, or*

*(b) the landlord has applied, or could apply, to the Secretary of State or the Regulator of Social Housing for approval for the purposes of ground 10A of a redevelopment scheme including the dwelling, or part of it,*

*The landlord may make to any person giving up possession or occupation a payment corresponding to any home loss payment or discretionary payment which they would be required or authorised to make to him if an order for possession had been made on either of those grounds.*

#### **Payments in respect of owner interests: occupying homeowners**

117. Those homeowners in occupation at the date of displacement and who had owned their freehold interest and been in occupation as their only or main residence for one year prior to their displacement and were so occupying at the date of displacement will be entitled to a mandatory home loss payment.
118. Where acquisition is obtained by agreement it is intended that an equivalent discretionary payment be made as provided by Section 32 (7) :-
- “Where an interest in a dwelling is acquired by agreement by an authority possessing compulsory purchase powers, the authority may, in connection with the acquisition, make to the person from whom the interest is acquired a payment corresponding to any home loss payment or discretionary payment which they would be required or authorised to make to him if the acquisition were compulsory and the authority had been authorised to acquire that interest before he gave up occupation of the dwelling [Payments in respect of owner interests: non-occupying homeowners]*

**Other acquisitions by agreement** Section 33J provides that discretionary payments may also be made to a person where acquisition is obtained by agreement (instead of compulsorily as required by sections 33A and 33C, owners not in occupation & / or other occupiers) of an amount equal to the

amount they would have been entitled under sections 33A or 33C had there been a compulsory acquisition.

### **Supplemental provisions**

120. Where there is more than one qualifying person entitled to claim home loss payment in respect of the same dwelling the payment to be made shall be equal to the whole amount of the home loss payment divided by the number of persons. (section 32 (6)).
121. Spouses and civil partners having statutory rights of occupation arising where the tenant is no longer occupying will be entitled to claim home loss under section 29A.
122. Supplementary provisions at section 32 set out the requirements by which persons must make a claim for a home loss payment and the latest date by which payments must be made together with provisions to make advance payments.

### **Disturbance payments for persons without compensatable interests**

123. Section 37(1) provides for mandatory disturbance payments to a person in lawful possession of the land from which they are displaced by virtue of the displacing event set out under Section 37 (1) (c) this being the same event under Section 29 (1)(c). Section 37(5) provides for equivalent discretionary disturbance payments to displaced persons not otherwise eligible.
124. Section 38 provides that the amount shall be equal to the reasonable expenses of the person entitled to payment in removing from the land from which they are displaced.

### **Section 26 Housing Act 1985**

125. This provides the Council with a discretion to pay expenses of removal to tenants moving out of their council property. Such payment can be subject to reasonable conditions and should be formulated and dealt with in accordance with Council policy.

### **Exercise of discretion**

126. The Council is entitled to formulate policies by which it will exercise a specific statutory discretion (as well as in a class of cases), Due regard must also be given to any guidance and rules such as the DCLG in compulsory purchase and the Crichel Down Rules. In any event care must be taken when formulating any such strategy to avoid fettering the council in the exercise of its discretion which may be subject to challenge.

### **Demolition notices**

127. In order to prevent any new Right to Buy applications from secure tenants under the Right to Buy discount regime, the Council will serve statutory demolition notices under powers conferred by Schedule 5 of the Housing Act 1985.

### **Strategic Director of Finance and Governance (H&M17/066)**

128. The strategic director of finance and governance notes the recommendations made in this report to develop specific sites on the Sceaux Gardens estate. The proposal is to replace 33 one-bedroom properties with approximately 80 new units across a mix of sizes.
129. The proposal has been appraised and assessed to be financially viable, and will be subject to further viability assessments as it progresses. At this stage there are no immediate financial implications arising from the recommendations made in this report, but should the scheme proceed, it is likely to be funded from a mix of right to buy receipts and S106 payments in lieu.

## BACKGROUND DOCUMENTS

| Background Papers   | Held At  | Contact  |
|---|--|--|
| LBS Core Strategy to 2043   | Housing Strategy<br>PO Box 64529<br>Southwark Council<br>London SE1P 5LX     | <a href="mailto:Rob.Weallans@southwark.gov.uk">Rob.Weallans@southwark.gov.uk</a>     |
| <b>Web link:</b><br><a href="http://www.2.southwark.gov.uk/downloads/download/4180/southwark_housing_strategy_to_2043">http://www.2.southwark.gov.uk/downloads/download/4180/southwark_housing_strategy_to_2043</a>   |  |  |
| Technical update to Residential design Standards 2015 SPD   | Planning Policy<br>PO Box 64529<br>Southwark Council<br>London SE1P 5LX      | <a href="mailto:Philip.Waters@southwark.gov.uk">Philip.Waters@southwark.gov.uk</a>   |
| <b>Web link:</b><br><a href="http://www.2.southwark.gov.uk/downloads/download/2257/residential_design_standards_spd">http://www.2.southwark.gov.uk/downloads/download/2257/residential_design_standards_spd</a>   |  |  |
| Support for garage occupiers affected by the new homes programme  | New Homes Delivery<br>PO Box 64529<br>Southwark Council<br>London SE1P 5LX   | <a href="mailto:Tim.bostridge@southwark.gov.uk">Tim.bostridge@southwark.gov.uk</a>   |
| <b>Web link:</b><br><a href="http://moderngov.southwark.gov.uk/ielistDocuments.aspx?CId=302&amp;MIId=5753&amp;Ver=4">http://moderngov.southwark.gov.uk/ielistDocuments.aspx?CId=302&amp;MIId=5753&amp;Ver=4</a>   |  |  |
| Charter of Principles   | Communities Division<br>PO Box 64529<br>Southwark Council<br>London SE1P 5LX | <a href="mailto:Jessica.Leech@southwark.gov.uk">Jessica.Leech@southwark.gov.uk</a>   |
| <b>Web link:</b><br><a href="http://www.2.southwark.gov.uk/downloads/download/4081/charter_of_principles_consultation_report_feb2015">http://www.2.southwark.gov.uk/downloads/download/4081/charter_of_principles_consultation_report_feb2015</a>                                 |  |  |
| September 2015 Cabinet report "New Homes Delivery programme"  | Asset Management<br>PO Box 64529<br>Southwark Council<br>London SE1P 5LX     | <a href="mailto:Richard.George@southwark.gov.uk">Richard.George@southwark.gov.uk</a> |
| <b>Web link (please copy and paste into your browser):</b><br><a href="http://moderngov.southwark.gov.uk/documents/s56445/Report%20New%20Homes%20Delivery%20Programme.pdf">http://moderngov.southwark.gov.uk/documents/s56445/Report%20New%20Homes%20Delivery%20Programme.pdf</a> |  |  |

**APPENDICES**

| <b>No.</b> | <b>Title</b>   |
|------------|--|
| Appendix 1 | Map showing red line boundary of development sites (circulated separately) |
| Appendix 2 | Sceaux Gardens Equalities Impact Assessment (circulated separately)        |
| Appendix 3 | Indicative scheme layout options (circulated separately)                   |

**AUDIT TRAIL**

|   |   |                        |
|---|---|------------------------|
| <b>Cabinet Member</b>   | Councillor Mark Williams, Regeneration and New Homes              |                        |
| <b>Lead Officer</b>   | Gerri Scott, Strategic Director of Housing and Community Services |                        |
| <b>Report Author</b>  | James Cross, Development Manager, New Homes Delivery Team         |                        |
| <b>Version</b>  | Final   |                        |
| <b>Dated</b>  | 29 November 2017  |                        |
| <b>Key Decision?</b>  | Yes   |                        |
| <b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b> |   |                        |
|   | <b>Officer Title</b>  | <b>Comments Sought</b> |
|   | Director of Law and Democracy                                     | Yes                    |
|   | Strategic Director of Finance and Governance                      | Yes                    |
|   | <b>Cabinet Member</b>   | Yes                    |
|   | <b>Date final report sent to Constitutional Team</b>              | 30 November 2017       |

|                        |                                |  |                                 |
|------------------------|--------------------------------|--|---------------------------------|
| <b>Item No.</b><br>21. | <b>Classification:</b><br>Open | <b>Date:</b><br>12 December 2017                     | <b>Meeting Name:</b><br>Cabinet |
| <b>Report title:</b>   |                                | Land at Goschen Estate, Camberwell                   |                                 |
| <b>Ward:</b>           |                                | Camberwell Green                                     |                                 |
| <b>Cabinet Member:</b> |                                | Councillor Mark Williams, Regeneration and New Homes |                                 |

**FOREWORD – COUNCILLOR MARK WILLIAMS, CABINET MEMBER FOR REGENERATION AND NEW HOMES**

Our commitment to build 11,000 new council homes by 2043 is both bold and challenging. Achieving this will make an enormous positive difference to the local community through the provision of genuinely affordable new homes for our residents. Southwark is predominantly a densely developed inner-city area and to provide these new homes we must make better use of our land. The recommendations in this report will help to de-risk the site in question. This in turn will give assurance to prospective builders and result in a lower tender cost for the proposed new development. Resources are scarce so it is vital we control cost to maximise the number of new homes we can provide.

The land in question comprises under-utilised estate facilities. We now have the opportunity to build 17 new homes, all of which will be for council rent, enhance landscaping and provide a parking area. The recommended appropriations will enable the construction of the homes to proceed without the risk of an injunction from a nearby landowner. However if a landowner is adversely affected as a result of the recommendations they will have the ability to claim compensation for the loss in value to their property as a result.

The report will therefore pave the way for much needed genuinely affordable housing and will provide landscaping and parking improvements for the wider estate.

**RECOMMENDATIONS**

That cabinet:

1. Confirms that the land shown hatched on the plan at Appendix A that is currently held for housing purposes is no longer required for those purposes and approves the appropriation of the land to planning purposes to facilitate the carrying out of the development proposals for the area in accordance with section 226 of the Town and Country Planning Act 1990 and section 122(1) of the Local Government Act 1972.
2. Confirms that following completion of the appropriation at paragraph 1 the land shown hatched on the plan at Appendix A will no longer be required for planning purposes and approves the appropriation of the land to housing purposes in accordance with section 9 of the Housing Act 1985 and section 122(1) of the Local Government Act 1972.

## BACKGROUND INFORMATION

3. The land in question is shown hatched on the plan at Appendix A. It is owned freehold by the council. It comprises garages, car parking, cycle parking, landscaping, a pram store and former meeting room. It is bounded by the railway line to the east, Harford House to the north and Horsman House to the west. It forms part of the Goschen Estate.
4. On 25 February 2015 council assembly approved the current Council Plan. This sets out Fairer Future promises one of which is: *quality affordable homes*. Within this commitment is the policy to improve housing standards and build more homes of every kind. This promise was in fact reinforcing previous policy to directly provide additional housing to meet the need for affordable housing within the Borough.
5. In pursuit of this cabinet has received a number of reports both before and after the Council Plan adoption to deliver new housing sites and the subject site was included in the Phase 2 report approved by cabinet on 22 October 2013. This report contained proposals for around 277 new council homes and followed an earlier report to directly deliver 290 new homes. These initiatives form part of the council's aspiration to provide 1,500 new homes by 2018.
6. On 3 October 2017 planning sub-committee A resolved to grant consent subject to completion of a s106 agreement for the regeneration of the land in two residential blocks to provide the following:
  - ❖ 6 one bedroom flats
  - ❖ 6 two bedroom flats
  - ❖ 5 three bedroom flats
  - ❖ associated landscaping
  - ❖ carparking
7. All seventeen of the new housing units will be let at council rent levels.
8. The contract for the regeneration will be procured and it is intended for construction to commence as earliest as possible once a contractor is appointed.

## KEY ISSUES FOR CONSIDERATION

9. The approved regeneration is arranged in a block of four stories and another block extending to five stories. As part of the planning process a lighting report was obtained from a specialist surveyor. This report identifies a minor negative impact on some windows in the vicinity but its conclusion states *the development proposals have been appraised in line with the guidelines set out in the BRE document. When assessed against the criteria for establishing whether the proposed development will have a significant impact, it has been possible to conclude that the development will not result in a notable reduction in the amount of daylight or sunlight enjoyed by the neighbouring buildings.*
10. Although the surveyor's conclusion is positive it does recognise there will be some reduction albeit not notable in daylighting and sunlighting to nearby properties. This impact was not of a degree to cause refusal of the scheme from a planning perspective but its existence poses a risk in being able to build the scheme because affected persons may apply to the court for an injunction to stop it proceeding. This may stop prospective builders from tendering for the

construction contract or cause bids to be substantially inflated to reflect the risk of there being an application for an injunction and the delay and uncertainty that may cause including frustrating the development scheme.

11. The determined planning application has taken into account daylighting and sunlighting issues. As part of the planning process properties over four hundred occupiers in the locality were directly consulted and nine (2%) objections were lodged. Only one of these concerned the daylighting/sunlighting impact of the proposed development on nearby properties. Other grounds of objection included height of development, overcrowding, lack of playspace, noise pollution and disturbance, increased nuisance and impact on transport capacity in locality.

## Appropriations

12. The appropriation of land refers to the process whereby a council alters the purpose for which it holds land. Where land has been appropriated for planning purposes third party rights enjoyed over the land can be overridden. The beneficiaries of such rights may however claim compensation [equal to the loss in value of their property caused by losing the right] but cannot seek an injunction to delay or terminate the development. This will give the council the certainty that having commenced construction works a person with the benefit of an unregistered (with the Land Registry) right over land (such as a right to light) cannot apply to the court to have the development stopped. This is a very important tool in enabling development to proceed on urban sites. As mentioned, the beneficiary of any such right is entitled to financial compensation for the loss of the right. The Council could either insure against such compensation claims but this will be costly or accept the risk of an injunction that may be fatal to development or result in perhaps significant unquantifiable costs.
13. The compensation persons affected by the loss of light may be entitled to is based on the value of their properties before the right has been infringed versus the value of the property with the infringed right. This compensation is based on the diminution in value of the affected property. If agreement between the parties is not possible it will be determined by the Upper Tribunal (Lands Chamber).
14. In this case it is recommended that the land be appropriated from housing purposes to planning purposes and thereafter back to housing purposes as to hold the land for planning purposes may cause adverse financial implications (see below).
15. The rationale for the appropriations of the land shown at Appendix A is set out at Appendix B and cabinet is recommended to approve the appropriations.
16. The appropriation stages is summarised below:

### Land currently held for housing

|                                      |   |  |
|--------------------------------------|---|--|
| Appropriate from housing to planning | ⇓ | Third party rights infringed by development cannot be enforced by injunction |
| Appropriate from planning to housing | ⇓ | Construction of new housing can proceed                                      |

17. Cabinet received a similar report on 9 May 2017 regarding a similar regeneration at Commercial Way where the same strategy was recommended and approved.

#### **Rationale for recommendations**

- 18.
- a. To mitigate against the construction of new social housing being frustrated or delayed by injunctions
  - b. To de-risk the construction project so as to encourage the maximum number of bidders and achieve a lower construction cost.
  - c. Appropriation back to housing from planning purposes avoids any potential adverse accounting implications.
  - d. Taking forward Fairer Future promise of *quality affordable homes*.

#### **Community impact statement**

19. The Council Plan was the subject of extensive community consultation that gave rise to the Fairer Future promise of *quality affordable homes*. The recommendations herein will enable the construction of eighteen new homes and a formal play space to proceed. New homes will improve the quality of life for their residents. The play space will provide a safe place for nearby youngsters to exercise and interact which will bring them health benefits. Implementation of the recommendations may however have a minor adverse lighting impact on some nearby occupiers and cause short term disturbance whilst construction work takes place.
20. The Equality Act 2010 requires the council in the exercise of its functions to have due regard to the need to:
- a) eliminate discrimination;
  - b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
  - c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
21. Relevant protected characteristics for the purposes of the Equality Act are:
- Age
  - Civil partnership
  - Disability
  - Gender reassignment
  - Pregnancy and maternity



- Race
  - Religion or belief
  - Sex and sexual orientation.
22. In carrying out appropriation the council must have due regard to the possible effects of such appropriation on any groups sharing a protected characteristic in order to discharge its public sector equality duty.
23. Based on the information available the council does not believe that there are any particular groups sharing a protected characteristic that will be adversely impacted by the proposals.

### **Financial implications**

24. The construction of the new homes will have a significant cost and an approved budget exists for this. The budget will need to make provision for any compensation claims for diminution in value that may arise as a consequence of the construction of the new homes. The budget will be reviewed when the procurement process mentioned at paragraph 8 has been completed.
25. Where land is appropriated from the housing revenue account to the general fund there is a transfer of debt between the accounts. When land is appropriated from general fund to the housing revenue account this debt transfer is reversed.

### **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

#### **Director of Law and Democracy**

26. The report recommends the appropriation of council-owned land for planning purposes, and thereafter, the appropriation of that land for housing purposes.
27. A council holds land and property for a variety of statutory purposes in order to perform its functions. A council is authorised by virtue of section 122 of the Local Government Act 1972 (“the 1972 Act”) to appropriate land within its ownership for any purpose for which it is authorised to acquire land by agreement, where is no longer required for the purpose for which it is held immediately before the appropriation.
28. The land must already belong to the council. Paragraph 3 of the report confirms that the land to be appropriated is in the council’s freehold ownership.
29. The land must be no longer required for the purpose for which it is currently held. The report confirms at paragraph 8 of Appendix B that the land is no longer required for housing purposes.
30. The purpose for which the council is appropriating the land must be authorised by statute. It is proposed that the land is held for planning purposes. This is a purpose which is authorised by statute. Section 246 of the Town and Country Planning Act 1990 (“TCPA 1990”) defines such purposes as, inter alia, those for which can be acquired under ss226 or 227 of that Act. Section 227 provides that a council may acquire land by agreement for any purposes for which it is authorised to acquire land compulsorily by s226 TCPA 1990.

31. The purposes for which a council can acquire land pursuant to s226 TCPA 1990 include purposes “which it is necessary to achieve in the interests of the proper planning of an area in which the land is situated.” S226 also authorises the acquisition of land “... if the authority think that the acquisition will facilitate the carrying out of development, re-development or improvement on or in relation to the land.” In the case of either s226 or s227 the acquiring authority must be satisfied that whatever development proposals it has for the land in question these are likely to “contribute to the achievement of any one or more of the following objects – (a) the promotion or improvement of the economic well-being of their area; (b) the promotion or improvement of the social well-being of their area; (c) the promotion or improvement of the environmental well-being of their area.” The council’s plan to build new homes on the land, of which, the majority are council homes for rent and the remainder are intermediate, is capable of falling within all three categories.
32. Section 203 of the Housing and Planning Act 2016 came into force on 13 July 2016. This section contains a power to override easements and other rights, and it replaces s237 TCPA.

S203 says :

“(1) A person may carry out building or maintenance work to which this subsection applies even if it involves

(a) interfering with a relevant right or interest...

(2) Subsection (1) applies to building or maintenance work where –

(a) there is planning consent for the building or maintenance work,

(b) the work is carried out on land that has at any time on or after the day on which this section comes into force

(i) become vested in or acquired by a specified authority or

(ii) been appropriated by a local authority for planning purposes as defined by section 246(1) of the Town and Country Planning Act 1990 [*i.e. for purposes for which an authority can acquire land under ss226 and 227*]

(c) the authority could acquire the land compulsorily for the purposes of the building or maintenance work, and

(d) the building or maintenance work is for purposes related to the purposes for which the land was vested, acquired or appropriated as mentioned in paragraph (b).”

33. What this means is that where land has been appropriated for planning purposes building work may be carried out on land even if this interferes with rights or interests if there is planning consent for the building work; and the work must be for purposes related to the purposes for which the land was appropriated, in this case planning purposes. By s204 those third party rights are converted into an entitlement to compensation to be calculated in accordance with ss7 and 10 of the Compulsory Purchase Act 1965.

34. This report confirms that the work being done on the land will be done in accordance with planning permission. Once the land has been appropriated and s203 triggered, that work will be authorised even where it interferes with third party rights.
35. Following the appropriation of the land for planning purposes it is recommended that the land is appropriated for housing purposes, as the land is to be used for the provision of new housing. At that point the land will no longer be required for planning purposes and will be appropriated for housing purposes.

#### **Strategic Director of Finance & Governance (H&M17/069)**

36. The recommendation is to appropriate land as described in order to facilitate regeneration and the building of new homes at Bethwin Road. This land appropriation is proposed to occur in such a way that it will have a neutral financial impact. However, a budget for the compensation and new homes proposed will need to be considered as part of the future capital programme budget setting process.

#### **Strategic Director of Housing & Modernisation**

37. This report ensures that the proposed development of the Bethwin Road scheme can progress with the avoidance of legal challenge. The light issues from the scheme are minimal and the scheme meets planning policy approval. Extensive consultation with local residents, together with a commitment to make 50% of the new social rented homes available to local residents in housing need leads the way in which social housing can be developed in inner cities. The scheme is a contribution to the Council's pledge to have a commitment to build 1,500 new homes by 2018.

#### **BACKGROUND DOCUMENTS**

| <b>Background Papers</b>   | <b>Web links (please copy and paste into browser)</b>   |
|--|---|
| Council Assembly report of 25 February 2015 adopting Council Plan      | <a href="http://moderngov.southwark.gov.uk/documents/s52059/Report%20Council%20Plan%202014-18.pdf">http://moderngov.southwark.gov.uk/documents/s52059/Report%20Council%20Plan%202014-18.pdf</a>                               |
| Cabinet report of 22 October 2013 Phase 2 direct delivery of new homes | <a href="http://moderngov.southwark.gov.uk/documents/s41478/Report%20Direct%20Housing%20Delivery%20Phase%202.pdf">http://moderngov.southwark.gov.uk/documents/s41478/Report%20Direct%20Housing%20Delivery%20Phase%202.pdf</a> |
| 3 October 2017 planning report and documents                           | <a href="http://planbuild.southwark.gov.uk/documents/?casereference=17/AP/1333&amp;system=DC">http://planbuild.southwark.gov.uk/documents/?casereference=17/AP/1333&amp;system=DC</a>   |

**APPENDICES**

| <b>Appendix</b> | <b>Title</b>                                      |
|-----------------|---|
| Appendix A      | Plan of land at land at Goschen Estate Camberwell |
| Appendix B      | Rationale for appropriations of the land          |

**AUDIT TRAIL**

|   |  |                          |
|---|--|--------------------------|
| <b>Cabinet Member</b>   | Councillor Mark Williams, Regeneration and New Homes |                          |
| <b>Lead Officer</b>   | Eleanor Kelly, Chief Executive                       |                          |
| <b>Report Author</b>  | Patrick McGreal, Property Services                   |                          |
| <b>Version</b>  | Final  |                          |
| <b>Dated</b>  | 30 November 2017                                     |                          |
| <b>Key Decision?</b>  | No   |                          |
| <b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES/CABINET MEMBER</b> |  |                          |
| <b>Officer Title</b>  | <b>Comments Sought</b>                               | <b>Comments included</b> |
| Director of Law and Democracy   | Yes  | Yes                      |
| Strategic Director of Finance and Governance                          | Yes  | Yes                      |
| Strategic Director of Housing and Modernisation                       | Yes  | Yes                      |
| <b>Cabinet Member</b>   | Yes  | Yes                      |
| <b>Date final report sent to Constitutional Team</b>                  |  | 30 November 2017         |





**APPENDIX B****LAND AT GOSCHEN ESTATE CAMBERWELL**

**Appropriation of the land (shown hatched on the plan) at Appendix A for purposes set out in s226 of the Town and Country Planning Act 1990 and to purposes set out in section 9 of the Housing Act 1985**

**Background to appropriation**

1. Under section 122(1) of the Local Government Act 1972 the Council may appropriate land for any purpose for which it is authorised to acquire land when the land is no longer required for the purposes for which it is held.
2. Under section 226(1)(a) and 227 of the Town and Country Planning Act 1990 the Council may acquire land if they think the acquisition will facilitate the carrying out of development, re-development or improvement on or in relation to the land. This includes development of the sort contemplated in the regeneration of the subject Bethwin Road land. The power in section 226(1)(a) is subject to subsection (1A) of section 226. This provides that the acquiring authority must not exercise the power unless it considers the proposed development, redevelopment or improvement is likely to contribute to achieving the promotion or improvement of the economic, social or environmental well-being of the area for which the acquiring authority has administrative responsibility. There are clear economic social and environmental and social benefits associated with the provision of new housing at the Goschen Estate site namely providing people with quality accommodation that may result in better educational attainment and general well being, and employment opportunities from the construction works. Accordingly the Council may appropriate land for the purposes of the development proposals land that it already owns if that land is no longer required for the purposes for which it is held. The land shown on the plan at Appendix A is no longer required for its current purposes for the reasons set out below and is not needed in the public interest for those purposes. The land can therefore be appropriated from its current use. As the appropriation will facilitate the Goschen Estate new housing development proposals it may be appropriated for planning purposes.
3. Where land has been appropriated for planning purposes Section 203 of the Housing and Planning Act 2016 (power to override easements and other rights) applies such that the erection, construction or carrying out or maintenance of any building or work on the land (by the council or a person deriving title from the council) is authorised if it is done in accordance with planning permission, notwithstanding that it interferes with certain private rights such as restrictive covenants and easements. The effect of triggering section 203 is that private rights are effectively overridden and converted into a claim for compensation pursuant to s 204. The level of compensation for interference with rights or breach of restrictive covenant is assessed on the basis of the loss in value of the claimant's land as a consequence of the interference or breach of covenant. An important consequence of the operation of Section 203 is that a claimant cannot secure an injunction, to prevent the development from going ahead - as indicated above, their remedy is a claim for compensation.
4. Prior to developing land it is usual practice to make prudent enquiries of what rights might exist over the land, this will involve inspecting the land to see if there are any obvious rights and checking land ownership information. However, some rights may not be apparent from inspection and historic ones may not always be recorded at the Land Registry. The application of the power to override rights contained in s203 therefore mitigates this risk.

5. The right to claim compensation for the depreciation in value caused by the loss of right is enforced against the owner of the land which in this case is the Council.

#### **Rationale for appropriating the subject site to planning purposes**

6. The site currently is under utilised and its use does not align with Council priorities and in particular providing additional affordable housing. In pursuance of the adopted Council Plan and to address the need for new affordable housing, the site has been identified to be redeveloped for this purpose. Planning consent has been secured for the scheme outlined in paragraph 6 of the main report. As there may be a minor impact on the rights of light to nearby residents from the consented scheme there is the risk one or more of them may apply to the court for an injunction. If an injunction is granted, the scheme will not be able to proceed. In any event, the risk of an application for an injunction is such that it will defer prospective builders from bidding to construct the new housing or result in a substantial risk contingency that undermines the viability of construction. In these circumstances it is appropriate to utilise the powers of section 203 to overcome this risk and enable the much needed new homes to be built.
7. As indicated above, the land is now required to be held for planning purposes to facilitate the redevelopment proposals associated with the planning permission for new housing. When land has been appropriated for section 203 purposes it will continue to benefit from its over-riding provisions even when the land is no longer held for planning purposes.
8. The land identified at Appendix A is no longer required to be held for housing purposes. As indicated above, the land is now required to be held for planning purposes to facilitate the redevelopment proposals associated with the planning permission.

#### **Rationale for appropriating the subject site to back to housing purposes**

9. Once the land is appropriated for planning purposes it should be appropriated back to housing purposes as this will be its ultimate usage and the cleansing effect of s203 means that it can be developed in confidence that the works won't be at risk of an application for an injunction to frustrate the development.
10. Section 9 (1) (a) of the Housing Act 1985 provides a local housing authority may provide housing accommodation by erecting houses on land acquired. It is therefore apt that following the s203 appropriation the land is in accordance with section 122(1) of the Local Government Act 1972 appropriated for purposes within section 9 (1) (a) of the Housing Act 1985.
11. The appropriation of the land whilst denying the beneficiaries of any third party rights over the land the ability to frustrate the regeneration of the land will not take away their ability to claim for compensation in respect of any diminution in the value of their land as a result of their rights being overridden.

|                        |                                |  |                                 |
|------------------------|--------------------------------|--|---------------------------------|
| <b>Item No.</b><br>22. | <b>Classification:</b><br>Open | <b>Date:</b><br>12 December 2017                     | <b>Meeting Name:</b><br>Cabinet |
| <b>Report title:</b>   |                                | Land at Ivy Church Lane, Walworth                    |                                 |
| <b>Ward:</b>           |                                | East Walworth  |                                 |
| <b>Cabinet Member:</b> |                                | Councillor Mark Williams, Regeneration and New Homes |                                 |

### **FOREWORD – COUNCILLOR MARK WILLIAMS, CABINET MEMBER FOR REGENERATION AND NEW HOMES**

Our commitment to build 11,000 new council homes by 2043 is both bold and challenging. Achieving this will make an enormous positive difference to the local community through the provision of genuinely affordable new homes for our residents. Southwark is predominantly a densely developed inner-city area and to provide these new homes we must make better use of our land. The recommendations in this report will help to de-risk the site in question. This in turn will give assurance to prospective builders and result in a lower tender cost for the proposed new development. Resources are scarce so it is vital we control cost to maximise the number of new homes we can provide.

The land in question comprises unused lock up garages and parking spaces. We now have the opportunity to build 21 new homes, all of which will be for council rent together with a new tenant's hall and a commercial unit on the Old Kent Road. The recommended appropriations will enable the construction of the homes to proceed without the risk of an injunction from a nearby landowner. However if a landowner is adversely affected as a result of the recommendations they will have the ability to claim compensation for the loss in value to their property as a result.

The report will therefore pave the way for much needed affordable housing and will bring unutilized land back into a very beneficial use for local people.

### **RECOMMENDATIONS**

That cabinet:

1. Confirms that the land shown hatched on the plan at Appendix A that is currently held for housing purposes is no longer required for those purposes and approves the appropriation of the land to planning purposes to facilitate the carrying out of the development proposals for the area in accordance with section 226 of the Town and Country Planning Act 1990 and section 122(1) of the Local Government Act 1972.
2. Confirms that following completion of the appropriation at paragraph 1 the land shown hatched on the plan at Appendix A will no longer be required for planning purposes and approves the appropriation of the land to housing purposes in accordance with section 9 of the Housing Act 1985 and section 122(1) of the Local Government Act 1972.



## BACKGROUND INFORMATION

3. The land in question is shown hatched on the plan at Appendix A. It is owned freehold by the council. It comprises forty-eight unused lock up garages provided on two stories and four open parking spaces.
4. On 25 February 2015 council assembly approved the current Council Plan. This sets out Fairer Future promises one of which is: *quality affordable homes*. Within this commitment is the policy to improve housing standards and build more homes of every kind. This promise was in fact reinforcing previous policy to directly provide additional housing to meet the need for affordable housing within the Borough.
5. In pursuit of this cabinet has received a number of reports both before and after the Council Plan adoption to deliver new housing sites and the subject site was included in the Phase 2 report approved by cabinet on 22 October 2013. This report contained proposals for around 277 new council homes and followed an earlier report to directly deliver 290 new homes. These initiatives form part of the council's aspiration to provide 1,500 new homes by 2018.
6. On 19 July 2017 planning consent was granted for the regeneration of the site to provide the following:
  - ❖ 17 flats
  - ❖ 4 houses
  - ❖ a commercial unit to Old Kent Road
  - ❖ a tenant's meeting room
7. All twenty-one of the new housing units will be let at Council rent levels
8. The contract for the regeneration will procured by way of an OJEU process and the aim is to commence construction early next summer.

## KEY ISSUES FOR CONSIDERATION

9. The approved regeneration is arranged in two blocks; a four six and seven storey building on the corner of Old Kent Road and Mina Road and a terrace of houses fronting Ivy Church Lane. As part of the planning process a lighting report was obtained from a specialist surveyor and the conclusion in this is:

*Full technical analysis indicates that the surrounding residential windows/rooms are subject to uncommonly high levels of existing daylight for an urban location. The scheme has been designed well to minimise any overall reduction, and indeed the proposed daylight values are commensurate, if not better, than a typical urban-located property. Where a derogation from guidance occurs it appears to be to secondary living space, rather than a living room/kitchen.*

*Full technical analysis indicates that only two rooms out of the whole surrounding context experience alterations in APSH which appear to derogate from BRE guidance. These rooms do again, however, appear to be bedrooms which possess a lesser expectation of sunlight. The retained levels of sunlight amenity after construction of the proposed scheme is considered commensurate with accommodation located within the urban grain.*

*The scheme demonstrates good levels of compliance in relation to daylight and sunlight amenity.*

10. Whilst the report is positive on daylighting/sunlighting it does recognise there will be an adverse (minor) impact to some nearby properties. This adverse impact was not of a degree to cause refusal of the scheme from a planning perspective but its existence poses a risk in being able to build the scheme because affected persons may apply to the court for an injunction to stop it proceeding. This may stop prospective builders from bidding for the construction contract or cause bids to be substantially inflated to reflect the risk of there being an application for an injunction and the delay and uncertainty that may cause including frustrating the development scheme.
11. This area of Walworth is fairly densely developed so there is potential for nearby properties to have a minor lighting impact from the proposed development. The determined planning application has taken into account daylighting and sunlighting issues. As part of the planning process properties (49) in the locality were directly consulted and one public response (2%) was received. This response objected on the grounds of adversely affecting daylighting in Ivy Church Lane.

### **Appropriations**

12. The appropriation of land refers to the process whereby a council alters the purpose for which it holds land. Where land has been appropriated for planning purposes third party rights enjoyed over the land can be overridden. The beneficiaries of such rights may however claim compensation [equal to the loss in value of their property caused by losing the right] but cannot seek an injunction to delay or terminate the development. This will give the Council the certainty that having commenced construction works a person with the benefit of an unregistered (with the Land Registry) right over land (such as a right to light) cannot apply to the court to have the development stopped. This is a very important tool in enabling development to proceed on urban sites. As mentioned, the beneficiary of any such right is entitled to financial compensation for the loss of the right. The council could either insure against such compensation claims but this will be costly or accept the risk of an injunction that may be fatal to development or result in perhaps significant unquantifiable costs.
13. The compensation persons affected by the loss of light may be entitled to is based on the value of their properties before the right has been infringed versus the value of the property with the infringed right. This compensation is based on the diminution in value of the affected property. If agreement between the parties is not possible it will be determined by the Upper Tribunal (Lands Chamber).
14. In this case it is recommended that the land be appropriated from housing purposes to planning purposes and thereafter back to housing purposes as to hold the land for planning purposes may cause adverse financial implications (see below).
15. The rationale for the appropriations of the land shown at Appendix A is set out at Appendix B and cabinet is recommended to approve the appropriations.
16. The appropriation stages is summarised overleaf:

## Land currently held for housing

|                                      |   |  |
|--------------------------------------|---|--|
| Appropriate from housing to planning | ↓ | Third party rights infringed by development cannot be enforced by injunction |
| Appropriate from planning to housing | ↓ | Construction of new housing can proceed                                      |

17. Cabinet received a similar report on 9 May 2017 regarding a similar regeneration at Commercial Way where the same strategy was recommended and approved.

**Rationale for recommendations**

- 18.
- To mitigate against the construction of new social housing being frustrated or delayed by injunctions
  - To de-risk the construction project so as to encourage the maximum number of bidders and achieve a lower construction cost.
  - Appropriation back to housing from planning purposes avoids any potential adverse accounting implications.
  - Taking forward Fairer Future promise of *quality affordable homes*

**Community impact statement**

19. The Council Plan was the subject of extensive community consultation that gave rise to the Fairer Future promise of *quality affordable homes*. The recommendations herein will enable the construction of twenty-one new homes a community hall and a commercial unit to proceed. New homes will improve the quality of life for their residents. The hall will enhance community cohesion and improve the sense of wellbeing of local residents and the commercial unit will provide goods or services. Implementation of the recommendations may however have a minor adverse lighting impact on some nearby occupiers and cause some disturbance whilst construction works take place.
20. The Equality Act 2010 requires the council in the exercise of its functions to have due regard to the need to:
- eliminate discrimination;
  - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
  - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
21. Relevant protected characteristics for the purposes of the Equality Act are:

- Age

- Civil partnership
  - Disability
  - Gender reassignment
  - Pregnancy and maternity
  - Race
  - Religion or belief
  - Sex and sexual orientation.
22. In carrying out appropriation the council must have due regard to the possible effects of such appropriation on any groups sharing a protected characteristic in order to discharge its public sector equality duty.
23. Based on the information available the council does not believe that there are any particular groups sharing a protected characteristic that will be adversely impacted by the proposals.

### **Financial Implications**

24. The construction of the new homes will have a significant cost and an approved budget exists for this. The budget will need to make provision for any compensation claims for diminution in value that may arise as a consequence of the construction of the new homes. The budget will be reviewed when the OJEU process mentioned at paragraph 8 has been completed.
25. Where land is appropriated from the housing revenue account to the general fund there is a transfer of debt between the accounts. When land is appropriated from general fund to the housing revenue account this debt transfer is reversed.

### **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

#### **Director of Law & Democracy**

26. The report recommends the appropriation of council-owned land for planning purposes, and thereafter, the appropriation of that land for housing purposes.
27. A council holds land and property for a variety of statutory purposes in order to perform its functions. A council is authorised by virtue of section 122 of the Local Government Act 1972 ("the 1972 Act") to appropriate land within its ownership for any purpose for which it is authorised to acquire land by agreement, where is no longer required for the purpose for which it is held immediately before the appropriation.
28. The land must already belong to the council. Paragraph 3 of the report confirms that the land to be appropriated is in the council's freehold ownership.

29. The land must be no longer required for the purpose for which it is currently held. The report confirms at paragraph 8 of Appendix B that the land is no longer required for housing purposes.
30. The purpose for which the council is appropriating the land must be authorised by statute. It is proposed that the land is held for planning purposes. This is a purpose which is authorised by statute. Section 246 of the Town and Country Planning Act 1990 (“TCPA 1990”) defines such purposes as, inter alia, those for which can be acquired under ss226 or 227 of that Act. Section 227 provides that a council may acquire land by agreement for any purposes for which it is authorised to acquire land compulsorily by s226 TCPA 1990.
31. The purposes for which a council can acquire land pursuant to s226 TCPA 1990 include purposes “which it is necessary to achieve in the interests of the proper planning of an area in which the land is situated.” S226 also authorises the acquisition of land “... if the authority think that the acquisition will facilitate the carrying out of development, re-development or improvement on or in relation to the land.” In the case of either s226 or s227 the acquiring authority must be satisfied that whatever development proposals it has for the land in question these are likely to “contribute to the achievement of any one or more of the following objects – (a) the promotion or improvement of the economic well-being of their area; (b) the promotion or improvement of the social well-being of their area; (c) the promotion or improvement of the environmental well-being of their area.” The council’s plan to build new homes on the land, of which, the majority are council homes for rent and the remainder are intermediate, is capable of falling within all three categories.
32. Section 203 of the Housing and Planning Act 2016 came into force on 13 July 2016. This section contains a power to override easements and other rights, and it replaces s237 TCPA.

S203 says:

“(1) A person may carry out building or maintenance work to which this subsection applies even if it involves

(a) interfering with a relevant right or interest

(2) Subsection (1) applies to building or maintenance work where –

(a) there is planning consent for the building or maintenance work,

(b) the work is carried out on land that has at any time on or after the day on which this section comes into force

(i) become vested in or acquired by a specified authority or

(ii) been appropriated by a local authority for planning purposes as defined by section 246(1) of the Town and Country Planning Act 1990 [*i.e. for purposes for which an authority can acquire land under ss226 and 227*]

(c) the authority could acquire the land compulsorily for the purposes of the building or maintenance work, and

(d) the building or maintenance work is for purposes related to the purposes for which the land was vested, acquired or appropriated as mentioned in paragraph (b).”

33. What this means is that where land has been appropriated for planning purposes building work may be carried out on land even if this interferes with rights or interests if there is planning consent for the building work; and the work must be for purposes related to the purposes for which the land was appropriated, in this case planning purposes. By s204 those third party rights are converted into an entitlement to compensation to be calculated in accordance with ss7 and 10 of the Compulsory Purchase Act 1965.
34. This report confirms that the work being done on the land will be done in accordance with planning permission. Once the land has been appropriated and s203 triggered, that work will be authorised even where it interferes with third party rights.
35. Following the appropriation of the land for planning purposes it is recommended that the land is appropriated for housing purposes, as the land is to be used for the provision of new housing. At that point the land will no longer be required for planning purposes and will be appropriated for housing purposes.

#### **Strategic Director of Finance & Governance**

36. The recommendation is to appropriate land as described in order to facilitate regeneration and the building of new homes at Ivy Church Lane. This land appropriation is proposed to occur in such a way that it will have a neutral financial impact. However, a budget for the compensation and new homes proposed will need to be considered as part of the future capital programme budget setting process.

#### **Strategic Director of Housing & Modernisation**

37. This report ensures that the development of the Commercial Way scheme can progress with the avoidance of legal challenge. The light issues from the scheme are minimal and the scheme meets planning policy approval. Extensive consultation with local residents, together with a commitment to make 50% of the new social rented homes available to local residents in housing need leads the way in which social housing can be developed in inner cities. The scheme is a contribution to the council’s pledge to have a commitment to build 1,500 new homes by 2018.

**BACKGROUND DOCUMENTS**

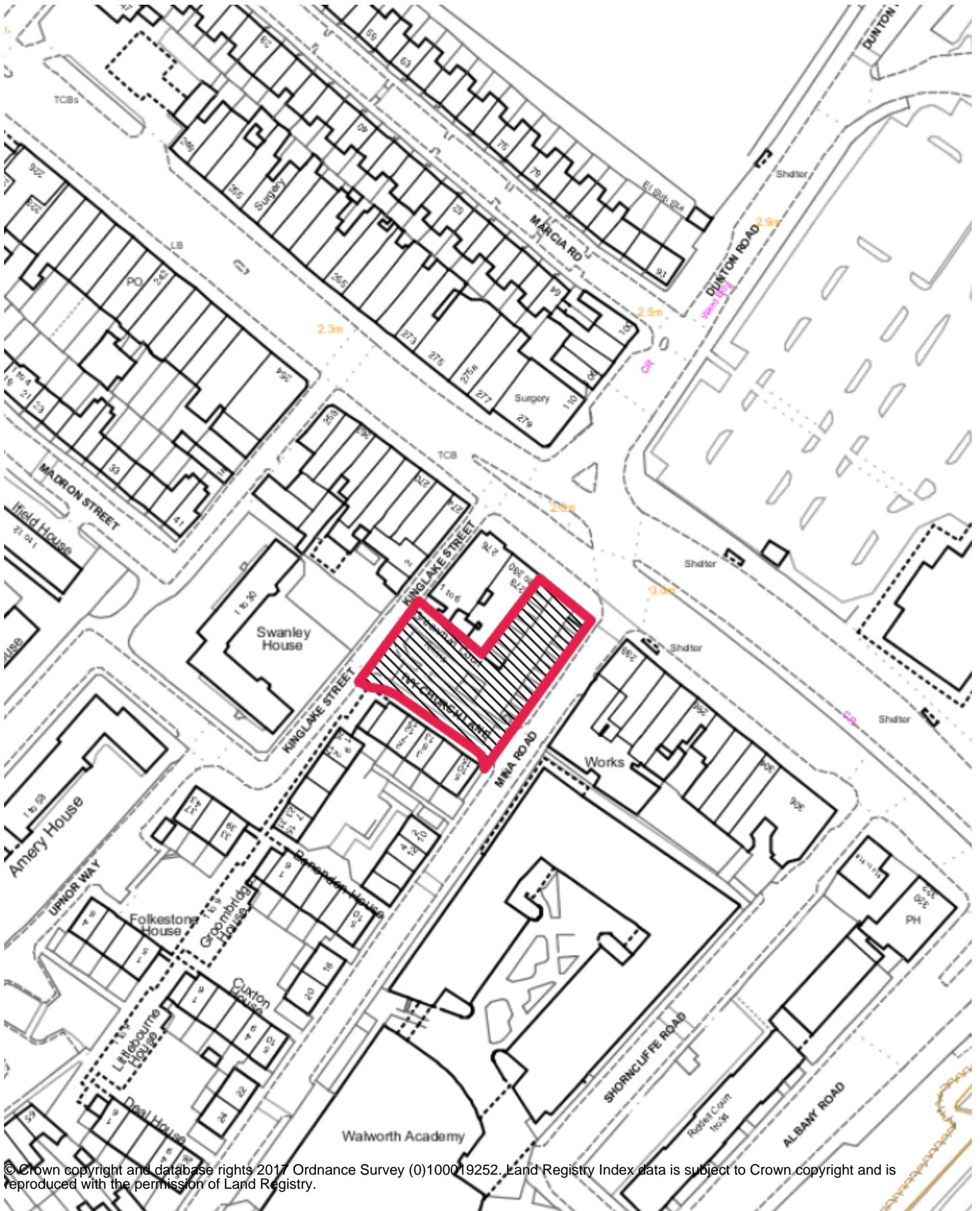
| Background Papers  | Web links (please copy and paste into browser)  |
|--|---|
| Council Assembly report of 25 February 2015 adopting Council Plan      | <a href="http://moderngov.southwark.gov.uk/documents/s52059/Report%20Council%20Plan%202014-18.pdf">http://moderngov.southwark.gov.uk/documents/s52059/Report%20Council%20Plan%202014-18.pdf</a>                               |
| Cabinet report of 22 October 2013 Phase 2 direct delivery of new homes | <a href="http://moderngov.southwark.gov.uk/documents/s41478/Report%20Direct%20Housing%20Delivery%20Phase%202.pdf">http://moderngov.southwark.gov.uk/documents/s41478/Report%20Direct%20Housing%20Delivery%20Phase%202.pdf</a> |
| 19 July 2017 planning determination and associated documents           | <a href="http://planbuild.southwark.gov.uk/documents/?casereference=16/AP/4589&amp;system=DC">http://planbuild.southwark.gov.uk/documents/?casereference=16/AP/4589&amp;system=DC</a>   |

**APPENDICES**

| Appendix   | Title                                    |
|------------|--|
| Appendix A | Plan of land at Ivy Church Lane          |
| Appendix B | Rationale for appropriations of the land |

**AUDIT TRAIL**

|   |  |                          |
|---|--|--------------------------|
| <b>Cabinet Member</b>   | Councillor Mark Williams, Regeneration and New Homes |                          |
| <b>Lead Officer</b>   | Eleanor Kelly, Chief Executive                       |                          |
| <b>Report Author</b>  | Patrick McGreal, Property Services                   |                          |
| <b>Version</b>  | Final  |                          |
| <b>Dated</b>  | 30 November 2017                                     |                          |
| <b>Key Decision</b>   | No   |                          |
| <b>CONSULTATION WITH OTHER OFFICERS /DIRECTORATES/ CABINET MEMBER</b> |  |                          |
| <b>Officer Title</b>  | <b>Comments Sought</b>                               | <b>Comments included</b> |
| Director of Law & Democracy   | Yes  | Yes                      |
| Strategic Director of Finance & Governance                            | Yes  | Yes                      |
| Strategic Director of Housing & Modernisation                         | Yes  | Yes                      |
| <b>Cabinet Member</b>   | Yes  | Yes                      |
| <b>Date final report sent to Constitutional Team</b>                  | 30 November 2017                                     |                          |



© Crown copyright and database rights 2017 Ordnance Survey (0)100019252. Land Registry Index data is subject to Crown copyright and is reproduced with the permission of Land Registry.



50 m

25-Sep-2017

Scale = 1 : 1250



**APPENDIX B****LAND AT IVY CHURCH LANE WALWORTH**

**Appropriation of the land (shown hatched on the plan) at Appendix A for purposes set out in s226 of the Town and Country Planning Act 1990 and to purposes set out in section 9 of the Housing Act 1985**

**Background to appropriation**

1. Under section 122(1) of the Local Government Act 1972 the Council may appropriate land for any purpose for which it is authorised to acquire land when the land is no longer required for the purposes for which it is held.
2. Under section 226(1)(a) and 227 of the Town and Country Planning Act 1990 the Council may acquire land if they think the acquisition will facilitate the carrying out of development, re-development or improvement on or in relation to the land. This includes development of the sort contemplated in the regeneration of the subject Ivy Church Lane land. The power in section 226(1)(a) is subject to subsection (1A) of section 226. This provides that the acquiring authority must not exercise the power unless it considers the proposed development, redevelopment or improvement is likely to contribute to achieving the promotion or improvement of the economic, social or environmental well-being of the area for which the acquiring authority has administrative responsibility. There are clear economic social and environmental and social benefits associated with the provision of new housing at the Ivy Church Lane site namely providing people with quality accommodation that may result in better educational attainment and general well being, improved amenity spaces and employment opportunities from the construction works. The new hall will enhance community adhesion and improve local residents' sense of wellbeing. Accordingly the council may appropriate land for the purposes of the development proposals land that it already owns if that land is no longer required for the purposes for which it is held. The land shown on the plan at Appendix A is no longer required for its current purposes for the reasons set out below and is not needed in the public interest for those purposes. The land can therefore be appropriated from its current use. As the appropriation will facilitate the Ivy Church Lane new housing development proposals it may be appropriated for planning purposes.
3. Where land has been appropriated for planning purposes Section 203 of the Housing and Planning Act 2016 (power to override easements and other rights) applies such that the erection, construction or carrying out or maintenance of any building or work on the land (by the council or a person deriving title from the council) is authorised if it is done in accordance with planning permission, notwithstanding that it interferes with certain private rights such as restrictive covenants and easements. The effect of triggering section 203 is that private rights are effectively overridden and converted into a claim for compensation pursuant to s 204. The level of compensation for interference with rights or breach of restrictive covenant is assessed on the basis of the loss in value of the claimant's land as a consequence of the interference or breach of covenant. An important consequence of the operation of Section 203 is that a claimant cannot secure an injunction, to prevent the development from going ahead - as indicated above, their remedy is a claim for compensation.
4. Prior to developing land it is usual practice to make prudent enquiries of what rights might exist over the land, this will involve inspecting the land to see if there are any obvious rights and checking land ownership information. However, some rights may not be apparent from inspection and historic ones may not always be recorded at the Land Registry. The application of the power to override rights contained in s203 therefore mitigates this risk.

5. The right to claim compensation for the depreciation in value caused by the loss of right is enforced against the owner of the land which in this case is the council.

#### **Rationale for appropriating the subject site to planning purposes**

6. The site is currently contains under utilised car parking provision (garages and parking spaces). In pursuance of the adopted Council Plan and to address a need for new affordable housing, the site has been identified to be redeveloped for this purpose. Planning consent has been secured for the scheme outlined in paragraph 6 of the main report. As there may be a minor impact on the rights of light to nearby residents from the consented scheme there is the risk one or more of them may apply to the court for an injunction. If an injunction is granted, the scheme will not be able to proceed. In any event, the risk of an application for an injunction is such that it will defer prospective builders from bidding to construct the new housing or result in a substantial risk contingency that undermines the viability of construction. In these circumstances it is appropriate to utilise the powers of section 203 to overcome this risk and enable the much needed new homes to be built.
7. As indicated above, the land is now required to be held for planning purposes to facilitate the redevelopment proposals associated with the planning permission for new housing. When land has been appropriated for section 203 purposes it will continue to benefit from its over-riding provisions even when the land is no longer held for planning purposes.
8. The land identified at Appendix A is no longer required to be held for housing purposes. As indicated above, the land is now required to be held for planning purposes to facilitate the redevelopment proposals associated with the planning permission.

#### **Rationale for appropriating the subject site to back to housing purposes**

9. Once the land is appropriated for planning purposes it should be appropriated back to housing purposes as this will be its ultimate usage and the cleansing effect of s203 means that it can be developed in confidence that the works won't be at risk of an application for an injunction to frustrate the development.
10. Section 9 (1) (a) of the Housing Act 1985 provides a local housing authority may provide housing accommodation by erecting houses on land acquired. It is therefore apt that following the s203 appropriation the land is in accordance with section 122(1) of the Local Government Act 1972 appropriated for purposes within section 9 (1) (a) of the Housing Act 1985.
11. The appropriation of the land whilst denying the beneficiaries of any third party rights over the land the ability to frustrate the regeneration of the land will not take away their ability to claim for compensation in respect of any diminution in the value of their land as a result of their rights being overridden.

|                        |                                |  |                                 |
|------------------------|--------------------------------|--|---------------------------------|
| <b>Item No.</b><br>23. | <b>Classification:</b><br>Open | <b>Date:</b><br>12 December 2017                     | <b>Meeting Name:</b><br>Cabinet |
| <b>Report title:</b>   |                                | Land at Meeting House Lane, Peckham                  |                                 |
| <b>Ward:</b>           |                                | Livesey  |                                 |
| <b>Cabinet Member:</b> |                                | Councillor Mark Williams, Regeneration and New Homes |                                 |

**FOREWORD – COUNCILLOR MARK WILLIAMS, CABINET MEMBER FOR REGENERATION AND NEW HOMES**

Our commitment to build 11,000 new council homes by 2043 is both bold and challenging. Achieving this will make an enormous positive difference to the local community through the provision of genuinely affordable new homes for our residents. Southwark is predominantly a densely developed inner-city area and to provide these new homes we must make better use of our land. The recommendations in this report will help to de-risk the site in question. This in turn will give assurance to prospective builders and result in a lower tender cost for the proposed new development. Resources are scarce so it is vital we control cost to maximise the number of new homes we can provide.

The land in question comprises the site of a former local housing office. We now have the opportunity to build 29 new homes, all of which will be for council rent together with a new community hall. The recommended appropriations will enable the construction of the homes to proceed without the risk of an injunction from a nearby landowner. However if a landowner is adversely affected as a result of the recommendations they will have the ability to claim compensation for the loss in value to their property as a result.

The report will therefore pave the way for much needed genuinely affordable housing and will bring a brownfield site back into use.

**RECOMMENDATIONS**

That cabinet:

1. Confirms that the land shown hatched on the plan at Appendix A that is currently held for housing purposes is no longer required for those purposes and approves the appropriation of the land to planning purposes to facilitate the carrying out of the development proposals for the area in accordance with section 226 of the Town and Country Planning Act 1990 and section 122(1) of the Local Government Act 1972.
2. Confirms that following completion of the appropriation at paragraph 1 the land shown hatched on the plan at Appendix A will no longer be required for planning purposes and approves the appropriation of the land to housing purposes in accordance with section 9 of the Housing Act 1985 and section 122(1) of the Local Government Act 1972.

## BACKGROUND INFORMATION

3. The land in question is shown hatched on the plan at Appendix A. It is owned freehold by the council. It comprises a former local housing that has been demolished. The Acorn housing estate is located to the east of the site and on the western side of Meeting House Lane there are mixed uses including residential, nursery and medical surgery. To the south is the former Wood Dene Estate.
4. On 25 February 2015 council assembly approved the current Council Plan. This sets out Fairer Future promises one of which is: *quality affordable homes*. Within this commitment is the policy to improve housing standards and build more homes of every kind. This promise was in fact reinforcing previous policy to directly provide additional housing to meet the need for affordable housing within the Borough.
5. In pursuit of this cabinet has received a number of reports both before and after the Council Plan adoption to deliver new housing sites and the subject site was included in the Phase 2 report approved by cabinet on 22 October 2013. This report contained proposals for around 277 new council homes and followed an earlier report to directly deliver 290 new homes. These initiatives form part of the council's aspiration to provide 1,500 new homes by 2018.
6. In May 2017 planning consent was granted for the regeneration of the site to provide the following:
  - ❖ 9 one bedroom flats
  - ❖ 14 two bedroom flats
  - ❖ 6 three bedroom flats
  - ❖ A community hall
7. All twenty-nine of the new housing units will be let at council rent levels
8. The contract for the regeneration is currently being procured and it is intended for construction to commence early in the new year.

## KEY ISSUES FOR CONSIDERATION

9. The approved regeneration is arranged in a single block of seven stories and will occupy the entire site. As part of the planning process a lighting report was obtained from a specialist surveyor. This is considered in the planning report and for daylighting concludes "*Reductions in daylight would be acceptable given the scale of development proposed, the isolated incidents where there are deviations from the BRE's recommended daylight levels and the magnitude of the impacts in these cases.*" In respect of sunlighting, the planning report concludes "*Overall, the sunlight assessment demonstrates a relatively modest impact on the levels of sunlight received by neighbours. Though there are some deviations from the annual and winter levels recommended by the BRE, this is to be expected in an urban area and the level of reduction is generally between 20 and 40% where there is an impact. It is important to note that this assessment needs to be considered in the context of the overall design of the scheme. As described above, adequate separation distances are maintained between the new development and existing neighbours and the building height proposed is comparable to existing buildings.*"

10. The surveyor's daylighting/sunlighting report whilst generally positive does recognise there will be an adverse impact to some nearby properties in Meeting House Lane. These adverse impacts were not of a degree to cause refusal of the scheme from a planning perspective but their existence poses a risk in being able to build the scheme because affected persons may apply to the court for an injunction to stop it proceeding. This may stop prospective builders from tendering for the construction contract or cause bids to be substantially inflated to reflect the risk of there being an application for an injunction and the delay and uncertainty that may cause including frustrating the development scheme.
11. The determined planning application has taken into account daylighting and sunlighting issues. As part of the planning process properties around four hundred occupiers in the locality were directly consulted and six (1½%) objections were lodged. Four of these objections (using similar wording) concern the daylighting/sunlighting impact of the proposed development on nearby properties. Other grounds of objection concerned density of development, loss of parking and disturbance from construction work.

### **Appropriations**

12. The appropriation of land refers to the process whereby a council alters the purpose for which it holds land. Where land has been appropriated for planning purposes third party rights enjoyed over the land can be overridden. The beneficiaries of such rights may however claim compensation [equal to the loss in value of their property caused by losing the right] but cannot seek an injunction to delay or terminate the development. This will give the council the certainty that having commenced construction works a person with the benefit of an unregistered (with the Land Registry) right over land (such as a right to light) cannot apply to the court to have the development stopped. This is a very important tool in enabling development to proceed on urban sites. As mentioned, the beneficiary of any such right is entitled to financial compensation for the loss of the right. The council could either insure against such compensation claims but this will be costly or accept the risk of an injunction that may be fatal to development or result in perhaps significant unquantifiable costs.
13. The compensation persons affected by the loss of light may be entitled to is based on the value of their properties before the right has been infringed versus the value of the property with the infringed right. This compensation is based on the diminution in value of the affected property. If agreement between the parties is not possible it will be determined by the Upper Tribunal (Lands Chamber).
14. In this case it is recommended that the land be appropriated from housing purposes to planning purposes and thereafter back to housing purposes as to hold the land for planning purposes may cause adverse financial implications (see below).
15. The rationale for the appropriations of the land shown at Appendix A is set out at Appendix B and cabinet is recommended to approve the appropriations.
16. The appropriation stages is summarised overleaf:

Land currently held for housing

|                                      |   |  |
|--------------------------------------|---|--|
| Appropriate from housing to planning | ↓ | Third party rights infringed by development cannot be enforced by injunction |
| Appropriate from planning to housing | ↓ | Construction of new housing can proceed                                      |

17. Cabinet received a similar report on 9 May 2017 regarding a similar regeneration at Commercial Way where the same strategy was recommended and approved.

### Rationale for recommendations

18.

- a. To mitigate against the construction of new social housing being frustrated or delayed by injunctions
- b. To de-risk the construction project so as to encourage the maximum number of bidders and achieve a lower construction cost.
- c. Appropriation back to housing from planning purposes avoids any potential adverse accounting implications.
- d. Taking forward Fairer Future promise of *quality affordable homes*

### Community impact statement

19. The Council Plan was the subject of extensive community consultation that gave rise to the Fairer Future promise of *quality affordable homes*. The recommendations herein will enable the construction of twenty-nine new homes and a community hall to proceed. New homes will improve the quality of life for their residents. The provision of the new hall will improve community cohesion and enhance local wellbeing. Implementation of the recommendations may however have a minor adverse lighting impact on some nearby occupiers and cause some short term disturbance whilst construction work takes place.
20. The Equality Act 2010 requires the council in the exercise of its functions to have due regard to the need to:
- a) eliminate discrimination;
  - b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
  - c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
21. Relevant protected characteristics for the purposes of the Equality Act are:
- Age
  - Civil partnership

- Disability
  - Gender reassignment
  - Pregnancy and maternity
  - Race
  - Religion or belief
  - Sex and sexual orientation.
22. In carrying out appropriation the council must have due regard to the possible effects of such appropriation on any groups sharing a protected characteristic in order to discharge its public sector equality duty.
23. Based on the information available the council does not believe that there are any particular groups sharing a protected characteristic that will be adversely impacted by the proposals.

### **Financial implications**

24. The construction of the new homes will have a significant cost and an approved budget exists for this. The budget will need to make provision for any compensation claims for diminution in value that may arise as a consequence of the construction of the new homes. The budget will be reviewed when the procurement process mentioned at paragraph 8 has been completed.
25. Where land is appropriated from the housing revenue account to the general fund there is a transfer of debt between the accounts. When land is appropriated from general fund to the housing revenue account this debt transfer is reversed.

### **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

#### **Director of Law & Democracy**

26. The report recommends the appropriation of council-owned land for planning purposes, and thereafter, the appropriation of that land for housing purposes.
27. A council holds land and property for a variety of statutory purposes in order to perform its functions. A council is authorised by virtue of section 122 of the Local Government Act 1972 ("the 1972 Act") to appropriate land within its ownership for any purpose for which it is authorised to acquire land by agreement, where is no longer required for the purpose for which it is held immediately before the appropriation.
28. The land must already belong to the council. Paragraph 3 of the report confirms that the land to be appropriated is in the council's freehold ownership.
29. The land must be no longer required for the purpose for which it is currently held. The report confirms at paragraph 8 of Appendix B that the land is no longer required for housing purposes.

30. The purpose for which the council is appropriating the land must be authorised by statute. It is proposed that the land is held for planning purposes. This is a purpose which is authorised by statute. Section 246 of the Town and Country Planning Act 1990 (“TCPA 1990”) defines such purposes as, inter alia, those for which can be acquired under ss226 or 227 of that Act. Section 227 provides that a council may acquire land by agreement for any purposes for which it is authorised to acquire land compulsorily by s226 TCPA 1990.
31. The purposes for which a council can acquire land pursuant to s226 TCPA 1990 include purposes “which it is necessary to achieve in the interests of the proper planning of an area in which the land is situated.” S226 also authorises the acquisition of land “... if the authority think that the acquisition will facilitate the carrying out of development, re-development or improvement on or in relation to the land.” In the case of either s226 or s227 the acquiring authority must be satisfied that whatever development proposals it has for the land in question these are likely to “contribute to the achievement of any one or more of the following objects – (a) the promotion or improvement of the economic well-being of their area; (b) the promotion or improvement of the social well-being of their area; (c) the promotion or improvement of the environmental well-being of their area.” The Council’s plan to build new homes on the land, of which, the majority are council homes for rent and the remainder are intermediate, is capable of falling within all three categories.
32. Section 203 of the Housing and Planning Act 2016 came into force on 13 July 2016. This section contains a power to override easements and other rights, and it replaces s237 TCPA.

S203 says :

“(1) A person may carry out building or maintenance work to which this subsection applies even if it involves

(a) interfering with a relevant right or interest...

(2) Subsection (1) applies to building or maintenance work where –

(a) there is planning consent for the building or maintenance work,

(b) the work is carried out on land that has at any time on or after the day on which this section comes into force

(i) become vested in or acquired by a specified authority or

(ii) been appropriated by a local authority for planning purposes as defined by section 246(1) of the Town and Country Planning Act 1990 [*i.e. for purposes for which an authority can acquire land under ss226 and 227*]

(c) the authority could acquire the land compulsorily for the purposes of the building or maintenance work, and

(d) the building or maintenance work is for purposes related to the purposes for which the land was vested, acquired or appropriated as mentioned in paragraph (b).”



33. What this means is that where land has been appropriated for planning purposes building work may be carried out on land even if this interferes with rights or interests if there is planning consent for the building work; and the work must be for purposes related to the purposes for which the land was appropriated, in this case planning purposes. By s204 those third party rights are converted into an entitlement to compensation to be calculated in accordance with ss7 and 10 of the Compulsory Purchase Act 1965.
34. This report confirms that the work being done on the land will be done in accordance with planning permission. Once the land has been appropriated and s203 triggered, that work will be authorised even where it interferes with third party rights.
35. Following the appropriation of the land for planning purposes it is recommended that the land is appropriated for housing purposes, as the land is to be used for the provision of new housing. At that point the land will no longer be required for planning purposes and will be appropriated for housing purposes.

#### **Strategic Director of Finance & Governance (H&M17/072)**

36. The recommendation is to appropriate land as described in order to facilitate regeneration and the building of new homes at Meeting House Lane. This land appropriation is proposed to occur in such a way that it will have a neutral financial impact. However, a budget for the compensation and new homes proposed will need to be considered as part of the future capital programme budget setting process.

#### **Strategic Director of Housing & Modernisation**

37. This report ensures that the proposed development of the Meeting House Lane scheme can progress with the avoidance of legal challenge. The light issues from the scheme are minimal and the scheme meets planning policy approval. Extensive consultation with local residents, together with a commitment to make 50% of the new social rented homes available to local residents in housing need leads the way in which social housing can be developed in inner cities. The scheme is a contribution to the Council's pledge to have a commitment to build 1,500 new homes by 2018.

#### **BACKGROUND DOCUMENTS**

| <b>Background Papers</b>   | <b>Web links (please copy and paste into browser)</b>   |
|--|---|
| Council Assembly report of 25 February 2015 adopting Council Plan      | <a href="http://moderngov.southwark.gov.uk/documents/s52059/Report%20Council%20Plan%202014-18.pdf">http://moderngov.southwark.gov.uk/documents/s52059/Report%20Council%20Plan%202014-18.pdf</a>                               |
| Cabinet report of 22 October 2013 Phase 2 direct delivery of new homes | <a href="http://moderngov.southwark.gov.uk/documents/s41478/Report%20Direct%20Housing%20Delivery%20Phase%202.pdf">http://moderngov.southwark.gov.uk/documents/s41478/Report%20Direct%20Housing%20Delivery%20Phase%202.pdf</a> |
| May 2017 planning determination and associated documents               | <a href="http://planbuild.southwark.gov.uk/documents/?casereference=16/AP/3968&amp;system=DC">http://planbuild.southwark.gov.uk/documents/?casereference=16/AP/3968&amp;system=DC</a>   |

**APPENDICES**

| <b>Appendix</b> | <b>Title</b>                               |
|-----------------|--|
| Appendix A      | Plan of land at Meeting House Lane Peckham |
| Appendix B      | Rationale for appropriations of the land   |

**AUDIT TRAIL**

|   |  |                          |
|---|--|--------------------------|
| <b>Cabinet Member</b>   | Councillor Mark Williams, Regeneration and New Homes |                          |
| <b>Lead Officer</b>   | Eleanor Kelly, Chief Executive                       |                          |
| <b>Report Author</b>  | Patrick McGreal, Regeneration North                  |                          |
| <b>Version</b>  | Final  |                          |
| <b>Dated</b>  | 30 November 2017                                     |                          |
| <b>Key Decision?</b>  | No   |                          |
| <b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b> |  |                          |
| <b>Officer Title</b>  | <b>Comments Sought</b>                               | <b>Comments included</b> |
| Director of Law & Democracy   | Yes  | Yes                      |
| Strategic Director of Finance & Governance                              | Yes  | Yes                      |
| Strategic Director of Housing & Modernisation                           | Yes  | Yes                      |
| <b>Cabinet Member</b>   | Yes  | Yes                      |
| <b>Date final report sent to Constitutional Team</b>                    | 30 November 2017                                     |                          |



© Crown copyright and database rights 2017 Ordnance Survey (0)100019252. Land Registry Index data is subject to Crown copyright and is reproduced with the permission of Land Registry.

**APPENDIX B****LAND AT MEETING HOUSE LANE PECKHAM**

**Appropriation of the land (shown hatched on the plan) at Appendix A for purposes set out in s226 of the Town and Country Planning Act 1990 and to purposes set out in section 9 of the Housing Act 1985**

**Background to appropriation**

1. Under section 122(1) of the Local Government Act 1972 the Council may appropriate land for any purpose for which it is authorised to acquire land when the land is no longer required for the purposes for which it is held.
2. Under section 226(1)(a) and 227 of the Town and Country Planning Act 1990 the Council may acquire land if they think the acquisition will facilitate the carrying out of development, re-development or improvement on or in relation to the land. This includes development of the sort contemplated in the regeneration of the subject Meeting House Lane land. The power in section 226(1)(a) is subject to subsection (1A) of section 226. This provides that the acquiring authority must not exercise the power unless it considers the proposed development, redevelopment or improvement is likely to contribute to achieving the promotion or improvement of the economic, social or environmental well-being of the area for which the acquiring authority has administrative responsibility. There are clear economic social and environmental and social benefits associated with the provision of new housing and a hall at the Meeting House Lane site namely providing people with quality accommodation that may result in better educational attainment and general well being, employment opportunities from the construction works and the new hall will facilitate community cohesion. Accordingly the Council may appropriate land for the purposes of the development proposals land that it already owns if that land is no longer required for the purposes for which it is held. The land shown on the plan at Appendix A is no longer required for its current purposes for the reasons set out below and is not needed in the public interest for those purposes. The land can therefore be appropriated from its current use. As the appropriation will facilitate the Meeting House Lane new housing development proposals it may be appropriated for planning purposes.
3. Where land has been appropriated for planning purposes Section 203 of the Housing and Planning Act 2016 (power to override easements and other rights) applies such that the erection, construction or carrying out or maintenance of any building or work on the land (by the council or a person deriving title from the council) is authorised if it is done in accordance with planning permission, notwithstanding that it interferes with certain private rights such as restrictive covenants and easements. The effect of triggering section 203 is that private rights are effectively overridden and converted into a claim for compensation pursuant to s 204. The level of compensation for interference with rights or breach of restrictive covenant is assessed on the basis of the loss in value of the claimant's land as a consequence of the interference or breach of covenant. An important consequence of the operation of Section 203 is that a claimant cannot secure an injunction, to prevent the development from going ahead - as indicated above, their remedy is a claim for compensation.
4. Prior to developing land it is usual practice to make prudent enquiries of what rights might exist over the land, this will involve inspecting the land to see if there are any obvious rights and checking land ownership information. However, some rights may not be apparent from inspection and historic ones may not always be recorded at the Land Registry. The application of the power to override rights contained in s203 therefore mitigates this risk.

5. The right to claim compensation for the depreciation in value caused by the loss of right is enforced against the owner of the land which in this case is the Council.

#### **Rationale for appropriating the subject site to planning purposes**

6. The site is currently under utilised. In pursuance of the adopted Council Plan and to address a need for new affordable housing, the site has been identified to be redeveloped for this purpose. Planning consent has been secured for the scheme outlined in paragraph 6 of the main report. As there may be a minor impact on the rights of light to nearby residents from the consented scheme there is the risk one or more of them may apply to the court for an injunction. If an injunction is granted, the scheme will not be able to proceed. In any event, the risk of an application for an injunction is such that it will defer prospective builders from bidding to construct the new housing or result in a substantial risk contingency that undermines the viability of construction. In these circumstances it is appropriate to utilise the powers of section 203 to overcome this risk and enable the much needed new homes to be built.
7. As indicated above, the land is now required to be held for planning purposes to facilitate the redevelopment proposals associated with the planning permission for new housing. When land has been appropriated for section 203 purposes it will continue to benefit from its over-riding provisions even when the land is no longer held for planning purposes.
8. The land identified at Appendix A is no longer required to be held for housing purposes. As indicated above, the land is now required to be held for planning purposes to facilitate the redevelopment proposals associated with the planning permission.

#### **Rationale for appropriating the subject site to back to housing purposes**

9. Once the land is appropriated for planning purposes it should be appropriated back to housing purposes as this will be its ultimate usage and the cleansing effect of s203 means that it can be developed in confidence that the works won't be at risk of an application for an injunction to frustrate the development.
10. Section 9 (1) (a) of the Housing Act 1985 provides a local housing authority may provide housing accommodation by erecting houses on land acquired. It is therefore apt that following the s203 appropriation the land is in accordance with section 122(1) of the Local Government Act 1972 appropriated for purposes within section 9 (1) (a) of the Housing Act 1985.
11. The appropriation of the land whilst denying the beneficiaries of any third party rights over the land the ability to frustrate the regeneration of the land will not take away their ability to claim for compensation in respect of any diminution in the value of their land as a result of their rights being overridden.

|                        |                                |  |                                 |
|------------------------|--------------------------------|--|---------------------------------|
| <b>Item No.</b><br>24. | <b>Classification:</b><br>Open | <b>Date:</b><br>12 December 2017                     | <b>Meeting Name:</b><br>Cabinet |
| <b>Report title:</b>   |                                | Land at Bush Road, Rotherhithe                       |                                 |
| <b>Ward:</b>           |                                | Rotherhithe  |                                 |
| <b>Cabinet Member:</b> |                                | Councillor Mark Williams, Regeneration and New Homes |                                 |

### **FOREWORD – COUNCILLOR MARK WILLIAMS, CABINET MEMBER FOR REGENERATION AND NEW HOMES**

Our commitment to build 11,000 new council homes by 2043 is both bold and challenging. Achieving this will make an enormous positive difference to the local community through the provision of genuinely affordable new homes for our residents. Southwark is predominantly a densely developed inner-city area and to provide these new homes we must make better use of our land. The recommendations in this report will help to de-risk the site in question. This in turn will give assurance to prospective builders and result in a lower tender cost for the proposed new development. Resources are scarce so it is vital we control cost to maximise the number of new homes we can provide.

The land in question is the site of former garages. We now have the opportunity to build 18 new homes, all of which will be for council rent and provide a play space and a parking area. The recommended appropriations will enable the construction of the homes to proceed without the risk of an injunction from a nearby landowner. However if a landowner is adversely affected as a result of the recommendations they will have the ability to claim compensation for the loss in value to their property as a result.

The report will therefore pave the way for much needed genuinely affordable housing and will make the most of under-utilised land.

### **RECOMMENDATIONS**

That cabinet:

1. Confirms that the land shown hatched on the plan at Appendix A that is currently held for housing purposes is no longer required for those purposes and approves the appropriation of the land to planning purposes to facilitate the carrying out of the development proposals for the area in accordance with section 226 of the Town and Country Planning Act 1990 and section 122(1) of the Local Government Act 1972.
2. Confirms that following completion of the appropriation at paragraph 1 the land shown hatched on the plan at Appendix A will no longer be required for planning purposes and approves the appropriation of the land to housing purposes in accordance with section 9 of the Housing Act 1985 and section 122(1) of the Local Government Act 1972.

## BACKGROUND INFORMATION

3. The land in question is shown hatched on the plan at Appendix A. It is owned freehold by the council. It comprises hard surfaced estate parking and formerly contained lock up garages that have been demolished. To the west of the site there is the railway, to the north is Albert Starr House and to the east stands John Brent House. William Evans House is to the south. This is very much infill land.
4. On 25 February 2015 council assembly approved the current Council Plan. This sets out Fairer Future promises one of which is: *quality affordable homes*. Within this commitment is the policy to improve housing standards and build more homes of every kind. This promise was in fact reinforcing previous policy to directly provide additional housing to meet the need for affordable housing within the Borough.
5. In pursuit of this cabinet has received a number of reports both before and after the Council Plan adoption to deliver new housing sites and the subject site was included in the Phase 2 report approved by cabinet on 22 October 2013. This report contained proposals for around 277 new council homes and followed an earlier report to directly deliver 290 new homes. These initiatives form part of the Council's aspiration to provide 1,500 new homes by 2018.
6. On 12 July 2017 planning consent was granted for the regeneration of the land to provide the following:
  - ❖ 9 one bedroom flats
  - ❖ 5 two bedroom flats
  - ❖ 4 three bedroom flats
  - ❖ Play space
  - ❖ 7 parking spaces
7. All eighteen of the new housing units will be let at council rent levels
8. The contract for the regeneration is currently being procured and it is intended for construction to commence as earliest as possible once a contractor is appointed.

## KEY ISSUES FOR CONSIDERATION

9. The approved regeneration is arranged in a single block of two and four stories. As part of the planning process a lighting report was obtained from a specialist surveyor. This report identifies a minor negative impact on some windows in the vicinity but its conclusion states *the development will not result in a notable reduction in the amount of either daylight or sunlight enjoyed by neighbouring buildings*.
10. Although the surveyor's conclusion is positive it does recognise there will an adverse impact to some nearby properties. This adverse impact was not of a degree to cause refusal of the scheme from a planning perspective but its existence poses a risk in being able to build the scheme because affected persons may apply to the court for an injunction to stop it proceeding. This may stop prospective builders from tendering for the construction contract or cause bids to be substantially inflated to reflect the risk of there being an application for

an injunction and the delay and uncertainty that may cause including frustrating the development scheme.

11. The determined planning application has taken into account daylighting and sunlighting issues. As part of the planning process properties around three hundred occupiers in the locality were directly consulted and four (1⅓%) objections were lodged. Only one of these concerned the daylighting/sunlighting impact of the proposed development on nearby properties. Other grounds of objection include density of development, loss of parking, loss of privacy, the site possibly being contaminated and disturbance from construction work.

### **Appropriations**

12. The appropriation of land refers to the process whereby a council alters the purpose for which it holds land. Where land has been appropriated for planning purposes third party rights enjoyed over the land can be overridden. The beneficiaries of such rights may however claim compensation [equal to the loss in value of their property caused by losing the right] but cannot seek an injunction to delay or terminate the development. This will give the council the certainty that having commenced construction works a person with the benefit of an unregistered (with the Land Registry) right over land (such as a right to light) cannot apply to the court to have the development stopped. This is a very important tool in enabling development to proceed on urban sites. As mentioned, the beneficiary of any such right is entitled to financial compensation for the loss of the right. The council could either insure against such compensation claims but this will be costly or accept the risk of an injunction that may be fatal to development or result in perhaps significant unquantifiable costs.
13. The compensation persons affected by the loss of light may be entitled to is based on the value of their properties before the right has been infringed versus the value of the property with the infringed right. This compensation is based on the diminution in value of the affected property. If agreement between the parties is not possible it will be determined by the Upper Tribunal (Lands Chamber).
14. In this case it is recommended that the land be appropriated from housing purposes to planning purposes and thereafter back to housing purposes as to hold the land for planning purposes may cause adverse financial implications (see below).
15. The rationale for the appropriations of the land shown at Appendix A is set out at Appendix B and cabinet is recommended to approve the appropriations.
16. The appropriation stages is summarised overleaf:

#### Land currently held for housing

|                                      |   |  |
|--------------------------------------|---|--|
| Appropriate from housing to planning | ⇩ | Third party rights infringed by development cannot be enforced by injunction |
| Appropriate from planning to housing | ⇩ | Construction of new housing can proceed                                      |



17. Cabinet received a similar report on 9 May 2017 regarding a similar regeneration at Commercial Way where the same strategy was recommended and approved.

#### **Rationale for recommendations**

- 18.
- a. To mitigate against the construction of new social housing being frustrated or delayed by injunctions
  - b. To de-risk the construction project so as to encourage the maximum number of bidders and achieve a lower construction cost.
  - c. Appropriation back to housing from planning purposes avoids any potential adverse accounting implications.
  - d. Taking forward Fairer Future promise of *quality affordable homes*

#### **Community impact statement**

19. The Council Plan was the subject of extensive community consultation that gave rise to the Fairer Future promise of *quality affordable homes*. The recommendations herein will enable the construction of eighteen new homes and a formal play space to proceed . New homes will improve the quality of life for their residents. The play space will provide a safe place for nearby youngsters to exercise and interact which will bring them health benefits. Implementation of the recommendations may however have a minor adverse lighting impact on some nearby occupiers and cause short term disturbance whilst construction work takes place.
20. The Equality Act 2010 requires the council in the exercise of its functions to have due regard to the need to:
- a) eliminate discrimination;
  - b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
  - c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
21. Relevant protected characteristics for the purposes of the Equality Act are:
- Age
  - Civil partnership
  - Disability
  - Gender reassignment
  - Pregnancy and maternity

- Race
  - Religion or belief
  - Sex and sexual orientation.
22. In carrying out appropriation the council must have due regard to the possible effects of such appropriation on any groups sharing a protected characteristic in order to discharge its public sector equality duty.
23. Based on the information available the council does not believe that there are any particular groups sharing a protected characteristic that will be adversely impacted by the proposals.

### **Financial implications**

24. The construction of the new homes will have a significant cost and an approved budget exists for this. The budget will need to make provision for any compensation claims for diminution in value that may arise as a consequence of the construction of the new homes. The budget will be reviewed when the procurement process mentioned at paragraph 8 has been completed.
25. Where land is appropriated from the housing revenue account to the general fund there is a transfer of debt between the accounts. When land is appropriated from general fund to the housing revenue account this debt transfer is reversed.

### **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

#### **Director of Law & Democracy**

26. The report recommends the appropriation of council-owned land for planning purposes, and thereafter, the appropriation of that land for housing purposes.
27. A council holds land and property for a variety of statutory purposes in order to perform its functions. A council is authorised by virtue of section 122 of the Local Government Act 1972 ("the 1972 Act") to appropriate land within its ownership for any purpose for which it is authorised to acquire land by agreement, where is no longer required for the purpose for which it is held immediately before the appropriation.
28. The land must already belong to the council. Paragraph 3 of the report confirms that the land to be appropriated is in the council's freehold ownership.
29. The land must be no longer required for the purpose for which it is currently held. The report confirms at paragraph 8 of Appendix B that the land is no longer required for housing purposes.
30. The purpose for which the council is appropriating the land must be authorised by statute. It is proposed that the land is held for planning purposes. This is a purpose which is authorised by statute. Section 246 of the Town and Country Planning Act 1990 ("TCPA 1990") defines such purposes as, inter alia, those for which can be acquired under ss226 or 227 of that Act. Section 227 provides that a council may acquire land by agreement for any purposes for which it is authorised to acquire land compulsorily by s226 TCPA 1990.

31. The purposes for which a council can acquire land pursuant to s226 TCPA 1990 include purposes “which it is necessary to achieve in the interests of the proper planning of an area in which the land is situated.” S226 also authorises the acquisition of land “... if the authority think that the acquisition will facilitate the carrying out of development, re-development or improvement on or in relation to the land.” In the case of either s226 or s227 the acquiring authority must be satisfied that whatever development proposals it has for the land in question these are likely to “contribute to the achievement of any one or more of the following objects – (a) the promotion or improvement of the economic well-being of their area; (b) the promotion or improvement of the social well-being of their area; (c) the promotion or improvement of the environmental well-being of their area.” The council’s plan to build new homes on the land, of which, the majority are council homes for rent and the remainder are intermediate, is capable of falling within all three categories.
32. Section 203 of the Housing and Planning Act 2016 came into force on 13 July 2016. This section contains a power to override easements and other rights, and it replaces s237 TCPA.

S203 says :

“(1) A person may carry out building or maintenance work to which this subsection applies even if it involves

(a) interfering with a relevant right or interest...

(2) Subsection (1) applies to building or maintenance work where –

(a) there is planning consent for the building or maintenance work,

(b) the work is carried out on land that has at any time on or after the day on which this section comes into force

(i) become vested in or acquired by a specified authority or

(ii) been appropriated by a local authority for planning purposes as defined by section 246(1) of the Town and Country Planning Act 1990 [*i.e. for purposes for which an authority can acquire land under ss226 and 227*]

(c) the authority could acquire the land compulsorily for the purposes of the building or maintenance work, and

(d) the building or maintenance work is for purposes related to the purposes for which the land was vested, acquired or appropriated as mentioned in paragraph (b).”

33. What this means is that where land has been appropriated for planning purposes building work may be carried out on land even if this interferes with rights or interests if there is planning consent for the building work; and the work must be for purposes related to the purposes for which the land was appropriated, in this case planning purposes. By s204 those third party rights are converted into an entitlement to compensation to be calculated in accordance with ss7 and 10 of the Compulsory Purchase Act 1965.

34. This report confirms that the work being done on the land will be done in accordance with planning permission. Once the land has been appropriated and s203 triggered, that work will be authorised even where it interferes with third party rights.
35. Following the appropriation of the land for planning purposes it is recommended that the land is appropriated for housing purposes, as the land is to be used for the provision of new housing. At that point the land will no longer be required for planning purposes and will be appropriated for housing purposes.

#### **Strategic Director of Finance & Governance (H&M17/070)**

36. The recommendation is to appropriate land as described in order to facilitate regeneration and the building of new homes at Bush Road. This land appropriation is proposed to occur in such a way that it will have a neutral financial impact. However, a budget for the compensation and new homes proposed will need to be considered as part of the future capital programme budget setting process.

#### **Strategic Director of Housing & Modernisation**

37. This report ensures that the proposed development of the Bush Road scheme can progress with the avoidance of legal challenge. The light issues from the scheme are minimal and the scheme meets planning policy approval. Extensive consultation with local residents, together with a commitment to make 50% of the new social rented homes available to local residents in housing need leads the way in which social housing can be developed in inner cities. The scheme is a contribution to the Council's pledge to have a commitment to build 1,500 new homes by 2018.

#### **BACKGROUND DOCUMENTS**

| <b>Background Papers</b>   | <b>Web links (please copy and paste into browser)</b>   |
|--|---|
| Council Assembly report of 25 February 2015 adopting Council Plan      | <a href="http://moderngov.southwark.gov.uk/documents/s52059/Report%20Council%20Plan%202014-18.pdf">http://moderngov.southwark.gov.uk/documents/s52059/Report%20Council%20Plan%202014-18.pdf</a>                               |
| Cabinet report of 22 October 2013 Phase 2 direct delivery of new homes | <a href="http://moderngov.southwark.gov.uk/documents/s41478/Report%20Direct%20Housing%20Delivery%20Phase%202.pdf">http://moderngov.southwark.gov.uk/documents/s41478/Report%20Direct%20Housing%20Delivery%20Phase%202.pdf</a> |
| 12 July 2017 planning determination and associated documents           | <a href="http://planbuild.southwark.gov.uk/documents/?casereference=17/AP/0281&amp;system=DC">http://planbuild.southwark.gov.uk/documents/?casereference=17/AP/0281&amp;system=DC</a>   |

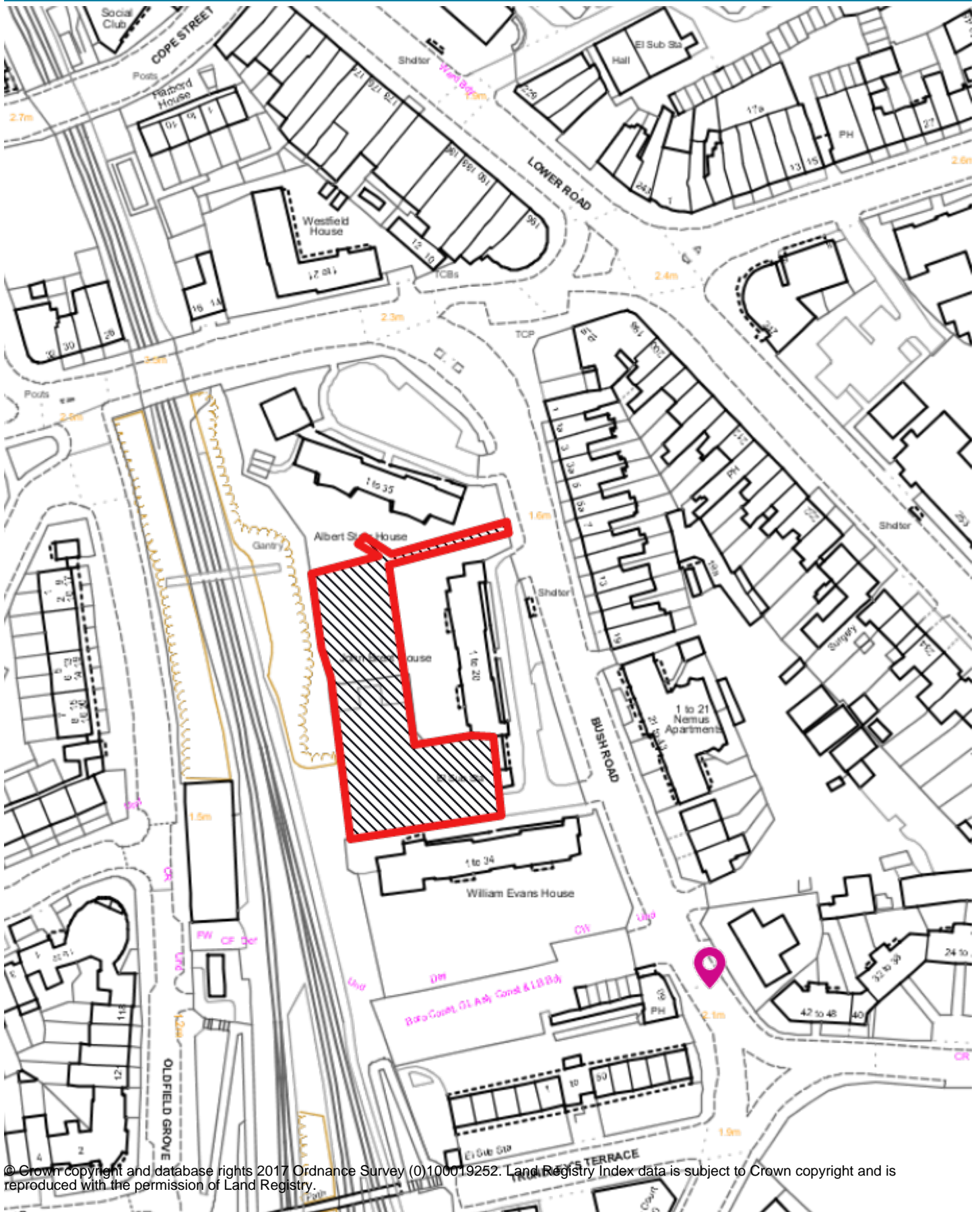
**APPENDICES**

| <b>Appendix</b> | <b>Title</b>                             |
|-----------------|--|
| Appendix A      | Plan of land at Bush Road Rotherhithe    |
| Appendix B      | Rationale for appropriations of the land |

**AUDIT TRAIL**

|  |  |                          |
|--|--|--------------------------|
| <b>Cabinet Member</b>  | Councillor Mark Williams, Regeneration and New Homes |                          |
| <b>Lead Officer</b>  | Eleanor Kelly, Chief Executive                       |                          |
| <b>Report Author</b>   | Patrick McGreal, Regeneration North                  |                          |
| <b>Version</b>   | Final  |                          |
| <b>Dated</b>   | 30 November 2017                                     |                          |
| <b>Key Decision?</b>   | No   |                          |
| <b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES /CABINET MEMBER</b> |  |                          |
| <b>Officer Title</b>   | <b>Comments Sought</b>                               | <b>Comments included</b> |
| Director of Law & Democracy  | Yes  | Yes                      |
| Strategic Director of Finance & Governance                             | Yes  | Yes                      |
| Strategic Director of Housing & Modernisation                          | Yes  | Yes                      |
| <b>Cabinet Member</b>  | Yes  | Yes                      |
| <b>Date final report sent to Constitutional Team</b>                   | 30 November 2017                                     |                          |

# APPENDIX A: Bush Road Rotherhithe



© Crown copyright and database rights 2017 Ordnance Survey (0100019252). Land Registry Index data is subject to Crown copyright and is reproduced with the permission of Land Registry.

**APPENDIX B****LAND AT BUSH ROAD ROTHERHITHE**

**Appropriation of the land (shown hatched on the plan) at Appendix A for purposes set out in s226 of the Town and Country Planning Act 1990 and to purposes set out in section 9 of the Housing Act 1985**

**Background to appropriation**

1. Under section 122(1) of the Local Government Act 1972 the Council may appropriate land for any purpose for which it is authorised to acquire land when the land is no longer required for the purposes for which it is held.
2. Under section 226(1)(a) and 227 of the Town and Country Planning Act 1990 the Council may acquire land if they think the acquisition will facilitate the carrying out of development, re-development or improvement on or in relation to the land. This includes development of the sort contemplated in the regeneration of the subject Bush Road land. The power in section 226(1)(a) is subject to subsection (1A) of section 226. This provides that the acquiring authority must not exercise the power unless it considers the proposed development, redevelopment or improvement is likely to contribute to achieving the promotion or improvement of the economic, social or environmental well-being of the area for which the acquiring authority has administrative responsibility. There are clear economic social and environmental and social benefits associated with the provision of new housing and play space at the Bush Road site namely providing people with quality accommodation that may result in better educational attainment and general well being, employment opportunities from the construction works and the new play space will encourage children to exercise and interact with consequential health improvement. Accordingly the Council may appropriate land for the purposes of the development proposals land that it already owns if that land is no longer required for the purposes for which it is held. The land shown on the plan at Appendix A is no longer required for its current purposes for the reasons set out below and is not needed in the public interest for those purposes. The land can therefore be appropriated from its current use. As the appropriation will facilitate the Bush Road new housing development proposals it may be appropriated for planning purposes.
3. Where land has been appropriated for planning purposes Section 203 of the Housing and Planning Act 2016 (power to override easements and other rights) applies such that the erection, construction or carrying out or maintenance of any building or work on the land (by the council or a person deriving title from the council) is authorised if it is done in accordance with planning permission, notwithstanding that it interferes with certain private rights such as restrictive covenants and easements. The effect of triggering section 203 is that private rights are effectively overridden and converted into a claim for compensation pursuant to s 204. The level of compensation for interference with rights or breach of restrictive covenant is assessed on the basis of the loss in value of the claimant's land as a consequence of the interference or breach of covenant. An important consequence of the operation of Section 203 is that a claimant cannot secure an injunction, to prevent the development from going ahead - as indicated above, their remedy is a claim for compensation.
4. Prior to developing land it is usual practice to make prudent enquiries of what rights might exist over the land, this will involve inspecting the land to see if there are any obvious rights and checking land ownership information. However, some rights may not be apparent from inspection and historic ones may not always be recorded at the Land Registry. The application of the power to override rights contained in s203 therefore mitigates this risk.

5. The right to claim compensation for the depreciation in value caused by the loss of right is enforced against the owner of the land which in this case is the Council.

#### **Rationale for appropriating the subject site to planning purposes**

6. The site is currently under utilised. In pursuance of the adopted Council Plan and to address a need for new affordable housing, the site has been identified to be redeveloped for this purpose. Planning consent has been secured for the scheme outlined in paragraph 6 of the main report. As there may be a minor impact on the rights of light to nearby residents from the consented scheme there is the risk one or more of them may apply to the court for an injunction. If an injunction is granted, the scheme will not be able to proceed. In any event, the risk of an application for an injunction is such that it will defer prospective builders from bidding to construct the new housing or result in a substantial risk contingency that undermines the viability of construction. In these circumstances it is appropriate to utilise the powers of section 203 to overcome this risk and enable the much needed new homes to be built.
7. As indicated above, the land is now required to be held for planning purposes to facilitate the redevelopment proposals associated with the planning permission for new housing. When land has been appropriated for section 203 purposes it will continue to benefit from its over-riding provisions even when the land is no longer held for planning purposes.
8. The land identified at Appendix A is no longer required to be held for housing purposes. As indicated above, the land is now required to be held for planning purposes to facilitate the redevelopment proposals associated with the planning permission.

#### **Rationale for appropriating the subject site to back to housing purposes**

9. Once the land is appropriated for planning purposes it should be appropriated back to housing purposes as this will be its ultimate usage and the cleansing effect of s203 means that it can be developed in confidence that the works won't be at risk of an application for an injunction to frustrate the development.
10. Section 9 (1) (a) of the Housing Act 1985 provides a local housing authority may provide housing accommodation by erecting houses on land acquired. It is therefore apt that following the s203 appropriation the land is in accordance with section 122(1) of the Local Government Act 1972 appropriated for purposes within section 9 (1) (a) of the Housing Act 1985.
11. The appropriation of the land whilst denying the beneficiaries of any third party rights over the land the ability to frustrate the regeneration of the land will not take away their ability to claim for compensation in respect of any diminution in the value of their land as a result of their rights being overridden.



|                        |                                |  |                                 |
|------------------------|--------------------------------|--|---------------------------------|
| <b>Item No.</b><br>25. | <b>Classification:</b><br>Open | <b>Date:</b><br>12 December 2017                     | <b>Meeting Name:</b><br>Cabinet |
| <b>Report title:</b>   |                                | Land at Pelier Street, Walworth                      |                                 |
| <b>Ward:</b>           |                                | Newington  |                                 |
| <b>Cabinet Member:</b> |                                | Councillor Mark Williams, Regeneration and New Homes |                                 |

**FOREWORD – COUNCILLOR MARK WILLIAMS, CABINET MEMBER FOR REGENERATION AND NEW HOMES**

Our commitment to build 11,000 new council homes by 2043 is both bold and challenging. Achieving this will make an enormous positive difference to the local community through the provision of genuinely affordable new homes for our residents. Southwark is predominantly a densely developed inner-city area and to provide these new homes we must make better use of our land. The recommendations in this report will help to de-risk the site in question. This in turn will give assurance to prospective builders and result in a lower tender cost for the proposed new development. Resources are scarce so it is vital we control cost to maximise the number of new homes we can provide.

The land in question comprises boarded vacant land. We now have the opportunity to build 17 new homes, all of which will be for council rent. The recommended appropriations will enable the construction of the homes to proceed without the risk of an injunction from a nearby landowner. However if a landowner is adversely affected as a result of the recommendations they will have the ability to claim compensation for the loss in value to their property as a result.

The report will therefore pave the way for much needed genuinely affordable housing and will bring unutilised land back into a use and enhance the local neighbourhood.

**RECOMMENDATIONS**

That cabinet:

1. Confirms that the land shown hatched on the plan at Appendix A that is currently held for housing purposes is no longer required for those purposes and approves the appropriation of the land to planning purposes to facilitate the carrying out of the development proposals for the area in accordance with section 226 of the Town and Country Planning Act 1990 and section 122(1) of the Local Government Act 1972.
2. Confirms that following completion of the appropriation at paragraph 1 the land shown hatched on the plan at Appendix A will no longer be required for planning purposes and approves the appropriation of the land to housing purposes in accordance with section 9 of the Housing Act 1985 and section 122(1) of the Local Government Act 1972.

## BACKGROUND INFORMATION

3. The land in question is shown hatched on the plan at Appendix A. It is owned freehold by the council. It comprises a former scrapyard and is currently hoarded. It is situated adjacent Pelier Park and next to some unused privately owned land that is also hoarded but accessed via Empress Street. A railway viaduct to the east of the site dominates the immediate area.
4. On 25 February 2015 council assembly approved the current Council Plan. This sets out Fairer Future promises one of which is: *quality affordable homes*. Within this commitment is the policy to improve housing standards and build more homes of every kind. This promise was in fact reinforcing previous policy to directly provide additional housing to meet the need for affordable housing within the Borough.
5. In pursuit of this cabinet has received a number of reports both before and after the Council Plan adoption to deliver new housing sites and the subject site was included in the Phase 2 report approved by cabinet on 22 October 2013. This report contained proposals for around 277 new council homes and followed an earlier report to directly deliver 290 new homes. These initiatives form part of the council's aspiration to provide 1,500 new homes by 2018.
6. On 23 December 2016 planning consent was granted for the regeneration of the site to provide the following:
  - ❖ 4 one bedroom flats
  - ❖ 9 two bedroom flats
  - ❖ 4 three bedroom flats
7. All seventeen of the new housing units will be let at council rent levels
8. The contract for the regeneration is currently being procured and it is intended for construction to commence early in the New Year.

## KEY ISSUES FOR CONSIDERATION

9. The approved regeneration is arranged in a single block of seven stories and will occupy the entire site. As part of the planning process a lighting report was obtained from a specialist surveyor and the conclusion in this is:
 

*The development proposals have been appraised in line with the guidelines set out in the BRE document. When assessed against the criteria for establishing whether the proposed development will have a significant impact it has been possible to conclude that the development will not result in a notable reduction in the amount of either daylight or sunlight enjoyed by the neighbouring buildings.*
10. The report notes there will not be a notable impact in lighting terms to neighbouring properties but doesn't go as far to say there will be no impact. Any impact though was not of a degree to cause refusal of the scheme from a planning perspective but the risk of there being one no matter how minor poses a risk in being able to build the scheme because affected persons may apply to the court for an injunction to stop it proceeding. This may stop prospective builders from tendering for the construction contract or cause bids to be substantially inflated to reflect the risk of there being an application for an

injunction and the delay and uncertainty that may cause including frustrating the development scheme.

11. The determined planning application has taken into account daylighting and sunlighting issues. As part of the planning process properties around three hundred occupiers in the locality were directly consulted and twelve (4%) objections were lodged. These objections were not on the grounds of loss of daylight or sunlight to existing properties but were concerned with the height of the building and its impact on the character of the area particularly the park.

## Appropriations

12. The appropriation of land refers to the process whereby a council alters the purpose for which it holds land. Where land has been appropriated for planning purposes third party rights enjoyed over the land can be overridden. The beneficiaries of such rights may however claim compensation [equal to the loss in value of their property caused by losing the right] but cannot seek an injunction to delay or terminate the development. This will give the Council the certainty that having commenced construction works a person with the benefit of an unregistered (with the Land Registry) right over land (such as a right to light) cannot apply to the court to have the development stopped. This is a very important tool in enabling development to proceed on urban sites. As mentioned, the beneficiary of any such right is entitled to financial compensation for the loss of the right. The council could either insure against such compensation claims but this will be costly or accept the risk of an injunction that may be fatal to development or result in perhaps significant unquantifiable costs.
13. The compensation persons affected by the loss of light may be entitled to is based on the value of their properties before the right has been infringed versus the value of the property with the infringed right. This compensation is based on the diminution in value of the affected property. If agreement between the parties is not possible it will be determined by the Upper Tribunal (Lands Chamber).
14. In this case it is recommended that the land be appropriated from housing purposes to planning purposes and thereafter back to housing purposes as to hold the land for planning purposes may cause adverse financial implications (see below).
15. The rationale for the appropriations of the land shown at Appendix A is set out at Appendix B and cabinet is recommended to approve the appropriations.
16. The appropriation stages is summarised below:

### Land currently held for housing

|                                      |   |  |
|--------------------------------------|---|--|
| Appropriate from housing to planning | ⇩ | Third party rights infringed by development cannot be enforced by injunction |
| Appropriate from planning to housing | ⇩ | Construction of new housing can proceed                                      |

17. Cabinet received a similar report on 9 May 2017 regarding a similar regeneration at Commercial Way where the same strategy was recommended and approved.

#### **Rationale for recommendations**

- 18.
- a. To mitigate against the construction of new social housing being frustrated or delayed by injunctions
  - b. To de-risk the construction project so as to encourage the maximum number of bidders and achieve a lower construction cost.
  - c. Appropriation back to housing from planning purposes avoids any potential adverse accounting implications.
  - d. Taking forward Fairer Future promise of *quality affordable homes*

#### **Community impact statement**

19. The Council Plan was the subject of extensive community consultation that gave rise to the Fairer Future promise of *quality affordable homes*. The recommendations herein will enable the construction of seventeen new homes to proceed. New homes will improve the quality of life for their residents. Implementation of the recommendations may however have a minor adverse lighting impact on some nearby occupiers and some disturbance whilst construction work takes place.
20. The Equality Act 2010 requires the council in the exercise of its functions to have due regard to the need to:
- a) eliminate discrimination;
  - b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
  - c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
21. Relevant protected characteristics for the purposes of the Equality Act are:
- Age
  - Civil partnership
  - Disability
  - Gender reassignment
  - Pregnancy and maternity
  - Race

- Religion or belief
  - Sex and sexual orientation.
22. In carrying out appropriation the council must have due regard to the possible effects of such appropriation on any groups sharing a protected characteristic in order to discharge its public sector equality duty.
23. Based on the information available the council does not believe that there are any particular groups sharing a protected characteristic that will be adversely impacted by the proposals.

### **Financial implications**

24. The construction of the new homes will have a significant cost and an approved budget exists for this. The budget will need to make provision for any compensation claims for diminution in value that may arise as a consequence of the construction of the new homes. The budget will be reviewed when the procurement process mentioned at paragraph 8 has been completed.
25. Where land is appropriated from the housing revenue account to the general fund there is a transfer of debt between the accounts. When land is appropriated from general fund to the housing revenue account this debt transfer is reversed.

### **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

#### **Director of Law & Democracy**

26. The report recommends the appropriation of council-owned land for planning purposes, and thereafter, the appropriation of that land for housing purposes.
27. A council holds land and property for a variety of statutory purposes in order to perform its functions. A council is authorised by virtue of section 122 of the Local Government Act 1972 ("the 1972 Act") to appropriate land within its ownership for any purpose for which it is authorised to acquire land by agreement, where is no longer required for the purpose for which it is held immediately before the appropriation.
28. The land must already belong to the council. Paragraph 3 of the report confirms that the land to be appropriated is in the council's freehold ownership.
29. The land must be no longer required for the purpose for which it is currently held. The report confirms at paragraph 8 of Appendix B that the land is no longer required for housing purposes.
30. The purpose for which the council is appropriating the land must be authorised by statute. It is proposed that the land is held for planning purposes. This is a purpose which is authorised by statute. Section 246 of the Town and Country Planning Act 1990 ("TCPA 1990") defines such purposes as, inter alia, those for which can be acquired under ss226 or 227 of that Act. Section 227 provides that a council may acquire land by agreement for any purposes for which it is authorised to acquire land compulsorily by s226 TCPA 1990.

31. The purposes for which a council can acquire land pursuant to s226 TCPA 1990 include purposes “which it is necessary to achieve in the interests of the proper planning of an area in which the land is situated.” S226 also authorises the acquisition of land “... if the authority think that the acquisition will facilitate the carrying out of development, re-development or improvement on or in relation to the land.” In the case of either s226 or s227 the acquiring authority must be satisfied that whatever development proposals it has for the land in question these are likely to “contribute to the achievement of any one or more of the following objects – (a) the promotion or improvement of the economic well-being of their area; (b) the promotion or improvement of the social well-being of their area; (c) the promotion or improvement of the environmental well-being of their area.” The Council’s plan to build new homes on the land, of which all are council homes for rent, is capable of falling within all three categories.
32. Section 203 of the Housing and Planning Act 2016 came into force on 13 July 2016. This section contains a power to override easements and other rights, and it replaces s237 TCPA.

S203 says :

“(1) A person may carry out building or maintenance work to which this subsection applies even if it involves

(a) interfering with a relevant right or interest...

(2) Subsection (1) applies to building or maintenance work where –

(a) there is planning consent for the building or maintenance work,

(b) the work is carried out on land that has at any time on or after the day on which this section comes into force

(i) become vested in or acquired by a specified authority or

(ii) been appropriated by a local authority for planning purposes as defined by section 246(1) of the Town and Country Planning Act 1990 [*i.e. for purposes for which an authority can acquire land under ss226 and 227*]

(c) the authority could acquire the land compulsorily for the purposes of the building or maintenance work, and

(d) the building or maintenance work is for purposes related to the purposes for which the land was vested, acquired or appropriated as mentioned in paragraph (b).”

33. What this means is that where land has been appropriated for planning purposes building work may be carried out on land even if this interferes with rights or interests if there is planning consent for the building work; and the work must be for purposes related to the purposes for which the land was appropriated, in this case planning purposes. By s204 those third party rights are converted into an entitlement to compensation to be calculated in accordance with ss7 and 10 of the Compulsory Purchase Act 1965.
34. This report confirms that the work being done on the land will be done in accordance with planning permission. Once the land has been appropriated and

s203 triggered, that work will be authorised even where it interferes with third party rights.

35. Following the appropriation of the land for planning purposes it is recommended that the land is appropriated for housing purposes, as the land is to be used for the provision of new housing. At that point the land will no longer be required for planning purposes and will be appropriated for housing purposes.

#### **Strategic Director of Finance & Governance [H&M17/073]**

36. This report ensures that the proposed development of the Pelier Street scheme can progress with the avoidance of legal challenge. The light issues from the scheme are minimal and the scheme meets planning policy approval. Extensive consultation with local residents, together with a commitment to make 50% of the new social rented homes available to local residents in housing need leads the way in which social housing can be developed in inner cities. The scheme is a contribution to the Council's pledge to have a commitment to build 1,500 new homes by 2018.

#### **Strategic Director of Housing & Modernisation**

37. This report ensures that the proposed development of the Pelier Street scheme can progress with the avoidance of legal challenge. The light issues from the scheme are minimal and the scheme meets planning policy approval. Extensive consultation with local residents, together with a commitment to make 50% of the new social rented homes available to local residents in housing need leads the way in which social housing can be developed in inner cities. The scheme is a contribution to the Council's pledge to have a commitment to build 1,500 new homes by 2018.

#### **BACKGROUND DOCUMENTS**

| <b>Background Papers</b>   | <b>Web links (please copy and paste into browser)</b>   |
|--|---|
| Council Assembly report of 25 February 2015 adopting Council Plan      | <a href="http://moderngov.southwark.gov.uk/documents/s52059/Report%20Council%20Plan%202014-18.pdf">http://moderngov.southwark.gov.uk/documents/s52059/Report%20Council%20Plan%202014-18.pdf</a>                               |
| Cabinet report of 22 October 2013 Phase 2 direct delivery of new homes | <a href="http://moderngov.southwark.gov.uk/documents/s41478/Report%20Direct%20Housing%20Delivery%20Phase%202.pdf">http://moderngov.southwark.gov.uk/documents/s41478/Report%20Direct%20Housing%20Delivery%20Phase%202.pdf</a> |
| 23 December 2016 planning determination and associated documents       | <a href="http://planbuild.southwark.gov.uk/documents/?casereference=16/AP/3968&amp;system=DC">http://planbuild.southwark.gov.uk/documents/?casereference=16/AP/3968&amp;system=DC</a>   |

## APPENDICES

| Appendix   | Title                                    |
|------------|--|
| Appendix A | Plan of land at Pelier Street            |
| Appendix B | Rationale for appropriations of the land |

## AUDIT TRAIL

|   |  |                          |
|---|--|--------------------------|
| <b>Cabinet Member</b>   | Councillor Mark Williams, Regeneration and New Homes |                          |
| <b>Lead Officer</b>   | Eleanor Kelly, Chief Executive                       |                          |
| <b>Report Author</b>  | Patrick McGreal, Property Services                   |                          |
| <b>Version</b>  | Final  |                          |
| <b>Dated</b>  | 30 November 2017                                     |                          |
| <b>Key Decision?</b>  | No   |                          |
| <b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b> |  |                          |
| <b>Officer Title</b>  | <b>Comments Sought</b>                               | <b>Comments included</b> |
| Director of Law & Democracy   | Yes  | Yes                      |
| Strategic Director of Finance & Governance                              | Yes  | Yes                      |
| Strategic Director of Housing & Modernisation                           | Yes  | Yes                      |
| <b>Cabinet Member</b>   | Yes  | Yes                      |
| <b>Date final report sent to Constitutional Team</b>                    | 30 November 2017                                     |                          |





**APPENDIX B****LAND AT PELIER STREET WALWORTH**

**Appropriation of the land (shown hatched on the plan) at Appendix A for purposes set out in s226 of the Town and Country Planning Act 1990 and to purposes set out in section 9 of the Housing Act 1985**

**Background to appropriation**

1. Under section 122(1) of the Local Government Act 1972 the Council may appropriate land for any purpose for which it is authorised to acquire land when the land is no longer required for the purposes for which it is held.
2. Under section 226(1)(a) and 227 of the Town and Country Planning Act 1990 the Council may acquire land if they think the acquisition will facilitate the carrying out of development, re-development or improvement on or in relation to the land. This includes development of the sort contemplated in the regeneration of the subject Pelier Street land. The power in section 226(1)(a) is subject to subsection (1A) of section 226. This provides that the acquiring authority must not exercise the power unless it considers the proposed development, redevelopment or improvement is likely to contribute to achieving the promotion or improvement of the economic, social or environmental well-being of the area for which the acquiring authority has administrative responsibility. There are clear economic social and environmental and social benefits associated with the provision of new housing at the Pelier Street site namely providing people with quality accommodation that may result in better educational attainment and general well being, and employment opportunities from the construction works. Accordingly the Council may appropriate land for the purposes of the development proposals land that it already owns if that land is no longer required for the purposes for which it is held. The land shown on the plan at Appendix A is no longer required for its current purposes for the reasons set out below and is not needed in the public interest for those purposes. The land can therefore be appropriated from its current use. As the appropriation will facilitate the Pelier Street new housing development proposals it may be appropriated for planning purposes.
3. Where land has been appropriated for planning purposes Section 203 of the Housing and Planning Act 2016 (power to override easements and other rights) applies such that the erection, construction or carrying out or maintenance of any building or work on the land (by the council or a person deriving title from the council) is authorised if it is done in accordance with planning permission, notwithstanding that it interferes with certain private rights such as restrictive covenants and easements. The effect of triggering section 203 is that private rights are effectively overridden and converted into a claim for compensation pursuant to s 204. The level of compensation for interference with rights or breach of restrictive covenant is assessed on the basis of the loss in value of the claimant's land as a consequence of the interference or breach of covenant. An important consequence of the operation of Section 203 is that a claimant cannot secure an injunction, to prevent the development from going ahead - as indicated above, their remedy is a claim for compensation.
4. Prior to developing land it is usual practice to make prudent enquiries of what rights might exist over the land, this will involve inspecting the land to see if there are any obvious rights and checking land ownership information. However, some rights may not be apparent from inspection and historic ones may not always be recorded at the Land Registry. The application of the power to override rights contained in s203 therefore mitigates this risk.

5. The right to claim compensation for the depreciation in value caused by the loss of right is enforced against the owner of the land which in this case is the Council.

#### **Rationale for appropriating the subject site to planning purposes**

6. The site is unused as hoarded and therefore not put to a beneficial use. In pursuance of the adopted Council Plan and to address a need for new affordable housing, the site has been identified to be redeveloped for this purpose. Planning consent has been secured for the scheme outlined in paragraph 6 of the main report. As there may be a minor impact on the rights of light to nearby residents from the consented scheme there is the risk one or more of them may apply to the court for an injunction. If an injunction is granted, the scheme will not be able to proceed. In any event, the risk of an application for an injunction is such that it will defer prospective builders from bidding to construct the new housing or result in a substantial risk contingency that undermines the viability of construction. In these circumstances it is appropriate to utilise the powers of section 203 to overcome this risk and enable the much needed new homes to be built.
7. As indicated above, the land is now required to be held for planning purposes to facilitate the redevelopment proposals associated with the planning permission for new housing. When land has been appropriated for section 203 purposes it will continue to benefit from its over-riding provisions even when the land is no longer held for planning purposes.
8. The land identified at Appendix A is no longer required to be held for housing purposes. As indicated above, the land is now required to be held for planning purposes to facilitate the redevelopment proposals associated with the planning permission.

#### **Rationale for appropriating the subject site to back to housing purposes**

9. Once the land is appropriated for planning purposes it should be appropriated back to housing purposes as this will be its ultimate usage and the cleansing effect of s203 means that it can be developed in confidence that the works won't be at risk of an application for an injunction to frustrate the development.
10. Section 9 (1) (a) of the Housing Act 1985 provides a local housing authority may provide housing accommodation by erecting houses on land acquired. It is therefore apt that following the s203 appropriation the land is in accordance with section 122(1) of the Local Government Act 1972 appropriated for purposes within section 9 (1) (a) of the Housing Act 1985.
11. The appropriation of the land whilst denying the beneficiaries of any third party rights over the land the ability to frustrate the regeneration of the land will not take away their ability to claim for compensation in respect of any diminution in the value of their land as a result of their rights being overridden.

**CABINET AGENDA DISTRIBUTION LIST (OPEN)****MUNICIPAL YEAR 2017-18**

**NOTE:** Original held by Constitutional Team; all amendments/queries to  
Paula Thornton Tel: 020 7525 4395

| Name  | No of copies | Name                                   | No of copies |
|---|--------------|--|--------------|
| <b>Cabinet Members</b>                      |              | <b>Chief Officer Team</b>              |              |
| Victoria Mills                              | 1            | Eleanor Kelly                          | 1            |
| <b>Other Councillors</b>                    |              | Deborah Collins                        | 1            |
| Jasmine Ali                                 | 1            | Gerri Scott                            | 1            |
| Tom Flynn                                   | 1            | Duncan Whitfield                       | 1            |
| Maria Linforth-Hall                         | 1            | David Quirke-Thornton                  | 1            |
| Rosie Shimell                               | 1            | <b>Officers</b>                        |              |
| Michael Mitchell                            | 1            | Doreen Forrester-Brown                 | 1            |
| Ben Johnson                                 | 1            | Jennifer Seeley                        | 1            |
| <b>Electronic Versions (no hard copy)</b>   |              | Norman Coombe                          | 1            |
| Councillor Peter John OBE                   |              | Kevin Fenton (1st floor, hub 1)        | 1            |
| Fiona Colley                                |              | <b>Others</b>                          |              |
| Stephanie Cryan                             |              | Louise Neilan                          | 1            |
| Maisie Anderson                             |              | Paula Thornton, Constitutional Officer | 10           |
| Barrie Hargrove                             |              | <b>Total:</b>                          |              |
| Richard Livingstone                         |              |  | 31           |
| Mark Williams                               |              | <b>Dated:</b> 16 October 2017          |              |
| Ian Wingfield                               |              |  |              |
| Johnson Situ                                |              |  |              |
| Gavin Edwards                               |              |  |              |
| Paul Fleming                                |              |  |              |
| Jon Hartley                                 |              |  |              |
| Eleanor Kerslake                            |              |  |              |
| Rebecca Lury                                |              |  |              |
| Kieron Williams                             |              |  |              |
| <b>Group Offices</b>                        |              |  |              |
| Chris Page, Cabinet Office                  | 1            |  |              |
| Steffan John, Liberal Democrat group Office | 1            |  |              |
| <b>Press</b>                                |              |  |              |
| Southwark News                              |              |  |              |
| South London Press                          | 1            |  |              |
|   | 1            |  |              |