

OVERVIEW & SCRUTINY COMMITTEE

MINUTES of the Overview & Scrutiny Committee held on Monday 12 November 2012
at 7.00 pm at 160 Tooley Street, London SE1 2QH

PRESENT: Councillor Catherine Bowman (Chair)
Councillor Dan Garfield (Vice-Chair)
Councillor Neil Coyle
Councillor Niock Dolezal (Reserve)
Councillor Toby Eckersley
Councillor David Hubber
Councillor Paul Noblet
Councillor David Noakes
Councillor The Right Revd Emmanuel Oyewole
Councillor Martin Seaton (Reserve)
Councillor Mark Williams

OTHER MEMBERS PRESENT: Councillor Peter John, Leader of the Council
Councillor Veronica Ward, Cabinet Member, Regeneration South

OFFICER SUPPORT: Shelley Burke, Head of Overview & Scrutiny
Norman Coombe, Legal Services
Dave Markham, Head of Major Works
Stephen Platts, Director of Regeneration
Peter Roberts, Scrutiny Project Manager

1. APOLOGIES

1.1 Apologies for absence were received from Councillors Gavin Edwards and Lorraine Lauder. Councillors Nick Dolezal and Martin Seaton attended as reserves.

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

2.1 There were none.

3. DISCLOSURE OF INTERESTS AND DISPENSATIONS

3.1 There were no disclosures of interests or dispensations.

4. MINUTES

RESOLVED:

That, subject to the following amendment, the minutes of the meeting held on 15 October 2012 be agreed as an accurate record:

Paragraph 6.8, final sentence to read: "Members felt that the quality and accessibility of archives generally might be in question."

5. CABINET MEMBER INTERVIEWS - COUNCILLOR PETER JOHN, LEADER, AND COUNCILLOR VERONICA WARD, REGENERATION SOUTH

Councillor Veronica Ward, Cabinet Member, Regeneration South

- 5.1 Councillor Ward outlined key areas for regeneration in the South of the borough including Camberwell, Peckham, Nunhead and the Elmington Estate. Important aspects of the regeneration of Camberwell town centre were the green, the library and the leisure centre. The Transport for London (TfL) feasibility study would be central in determining options around traffic flow and pedestrian access. Members were pleased that TfL was now involved but were concerned that changes might make North/South bus routes slower and that account was being taken of cycle safety. In response to questions, Councillor Ward explained that consultation was also taking place on proposals for the design of the library.
- 5.2 Councillor Ward updated the committee on plans to improve the frontage of Peckham Rye station and on townscape heritage funding. Members asked whether any details were available of negotiations with businesses located to the front of the station. Councillor Ward agreed that discussions with the small businesses were key. She stressed the need for careful negotiations, particularly in view of the number of sub-lets and difficulty in tracing owners, and explained that a series of meetings would be held. In response to further questions she confirmed that Network Rail was supporting the redevelopment.
- 5.3 Councillor Ward reported that in Nunhead discussions were taking place around the community centre and new housing with a pop-up shop on Nunhead Lane providing a focus for consultation.
- 5.4 Councillor Ward also reported that the NHS had finished consultation in respect of the Dulwich Community Hospital site. Analysing the results of the consultation had been delayed because of possible changes within the NHS Trust. The council would be producing a supplementary planning document in January for consultation. Members asked whether the cabinet had a vision for the site. Councillor Ward responded that this was dependent on the Trust.

- 5.5 Members of the committee asked what role regeneration played in respect of school places. The Director of Regeneration stated that a strategy report was being submitted to the next cabinet meeting on school places. Modelling for the next ten years showed that there were significant pressures with increased demand around Camberwell and Peckham.

Councillor Peter John, Leader of the Council

Housing Commission

- 5.6 A member asked how the council could ensure the long term planning of housing. The Leader explained that the establishment of the commission was an attempt to address this. The commission's report would initiate a debate across the borough and across London into the future of council housing stock and social housing. The cabinet would agree consultation mechanisms the results of which would feed into decisions about the direction of travel. The Leader reminded the committee that the council was investing more than any other local authority in order to make its housing stock warm, dry and safe. There were underlying issues with the stock and the council needed to be sure that it was making the right spending decisions. The Leader drew encouragement from the report which suggested that the council had the resources to pursue a range of options.
- 5.7 In response to questions, the Leader emphasised that the commission had not put forward increasing the stock as an option. A huge level of investment and building was needed simply to stand still. He also underlined the importance of considering the different options for management of the stock and considering the place of leaseholders. A member suggested that there might be scope to consider rationalisation of housing association properties in the borough as part of the debate on management of social housing.
- 5.8 Members were concerned about problems in managing contracts. The Leader referred to the changes which had resulted in ending the contracts with Morrison and Vangent and felt that the council was now on the right trajectory. He felt that one of the challenges facing the council was whether it could manage its housing stock in a different way, for instance more like housing associations which carried a higher level of debt.
- 5.9 The chair of the committee noted that the Leader had stated at Council Assembly that he ruled out selling substantial parts of the housing stock and questioned how radical the Cabinet was prepared to be. The Leader indicated that his original statement had been in response to Opposition comments. All options in the commission report would be part of the council's consultation process and he was prepared to be as radical as was necessary. Members asked how the report could best be broken down to facilitate consultation. The Leader replied that a team was working on this. He also hoped that all parties would play a part in the consultation.
- 5.10 A member asked whether the Leader had any views about the use of empty private properties in the borough. The Leader explained that this was within the portfolio of the Deputy Leader. Dave Markham, head of major works, reported that the council was looking at different options and that a report would be submitted to the

Deputy Leader. Members asked for an update to be circulated. Members also asked for the Leader's views on selling council voids. The Leader indicated that this should be looked at on a case by case basis. Works on the East Dulwich Estate had been partly funded by the sale of void properties which in turn created a mixed community.

- 5.11 Members asked whether other local authorities in London were keen to take part in a debate on council housing. The Leader emphasised that, while Southwark had the highest proportion of council housing in comparison to any other borough in the country, it could not come up with answers on its own.
- 5.12 A member highlighted that the option of a housing stock of 39,000 homes would require investment in new stock. He hoped that mechanisms would be put in place to ensure that investment was kept within the borough, for instance in local training schemes. The Leader agreed that this should be part of the consultation and that it was important that the council be seen as an exemplary employer. He reported that the council had taken on forty apprentices in the past year, six of these being taken on by major works contractors. The council's economic wellbeing strategy and long term strategy for its housing stock needed to be co-ordinated in order to meet the council's aspirations.
- 5.13 A member was concerned about a lack of affordable housing provision in major developments in the North of the borough and a failure to create mixed communities. The Leader pointed out that 52% of housing in the ward in question was council housing. He stressed that the important factor in mixed communities was joint usage of streets and facilities and did not necessarily require accommodation to be in the same housing blocks. There were problems in terms of developments such as Neo Bankside where 80% of the market rent for properties would not provide genuinely affordable council housing. The Leader reported that he had asked Ward Members from Cathedrals Ward to identify sites in the ward which might be appropriate for new build council housing.
- 5.14 The Leader was also asked to clarify the council's policy in regards of tall buildings. He responded that he was in favour of good quality tall buildings which enhanced Southwark and benefitted the borough financially and through making a contribution to the public realm and social infrastructure. In practical terms, developers had to make their case to the planning committee.
- 5.15 Members asked about the impact of changes in national policies. The Leader was of the view that the full impact of changes in benefits had yet to be gauged. He also acknowledged cuts in funding of social housing and added that looking at the council's land holdings and possible realisation of capital receipts might go some way towards bridging funding gaps.

Regeneration

- 5.16 The chair asked the Leader's view on the amount of council housing that should be included in regeneration developments and the tenure balance within the borough generally. The Leader indicated that a conversation was needed with partners across London. The report of the housing commission would provoke thinking and debate. The delivery of new housing was a priority but one of the purposes of

regeneration was to build mixed income, economically active communities. These would provide more opportunities to residents and a better social realm including transport, new schools and leisure centres.

- 5.17 In terms of affordability of rents, members asked whether there was any comparison available with schemes across London. The Leader reported that the proportion of affordable housing on the Heygate, negotiated with Lend Lease, compared favourably with what was going on elsewhere.
- 5.18 Members noted the circulated statement on cash flows, explaining that partners would not release these due to their commercial sensitivity and confidentiality, but felt that a point would come when more transparency would be necessary.
- 5.19 Members also noted the information circulated in respect of transport at the Elephant & Castle but sought clarification about the prioritisation of the northern roundabout and the failure to prioritise the link between the Bakerloo and Northern lines. The Leader confirmed that the northern roundabout was a transport priority for many residents in the borough and that TfL had identified potential solutions and funding. Other members agreed that a better ground level crossing was essential and stressed the need for better cycle routes and safety.
- 5.20 Members asked for an update in respect of work on the Aylesbury estate and the provision of additional social rented housing. The Leader explained that the council was looking into options for increasing the number of council homes at the Elephant & Castle, including the possibility of buying back homes from the developer. He presented a slide showing milestones and the number of social rented units and affordable housing units for which consent had been given and expected dates of delivery. Some members remained concerned that housing was not being replaced quickly enough in the opportunity area.
- 5.21 Some members were of the view that a better deal could have been negotiated with Lend Lease for the Elephant & Castle development. The Leader reminded the committee that the heads of terms originally signed in respect of the Heygate had left the percentage of affordable housing to be determined by the planning process. He stated that the project had been on the stocks since 1998 and that progress had been painfully slow since 2001. In July 2010 the cabinet agreed to 25% affordable housing in contrast to the likely 7-8% that the planning process would have delivered. The council had negotiated as hard as possible to achieve a minimum guaranteed level of affordable housing on the Heygate site. The Leader emphasised that local people wanted to see progress and did not want to live next to an empty derelict estate. Demolition would begin next Summer. The area would be getting new housing, a new leisure centre and a box park. The shopping centre was key to the general perception of Elephant & Castle.
- 5.23 Members were concerned at predicted shortfalls in the number of primary and secondary school places. The Leader acknowledged that there would be challenges over the next few years but underlined that the council had as robust as possible a plan in place to meet demand. The Aylesbury new school was on schedule and the council was exploring options for the Rotherhithe area.

- 5.24 In response to further questions from members, the Leader updated the committee on plans for Walworth Road, including the new box park. The Leader was confident that once build commenced on the Heygate and Phase 1 sites this would inject economic activity into the general area. He also commented that there were very few empty units on the Walworth Road. Members asked for details on properties on the Walworth Road that were owned or leased by the council. The director of regeneration agreed to provide an overview.
- 5.25 In terms of the Aylesbury, the council was looking for a development partner and reported that four major developers and RSL consortia were working on bids. The selection process would run up to early 2014 when a shortlist would be put together. The Leader confirmed that the involvement in the process of tenants and leaseholders was key.

6. FOUR SQUARES ESTATE - CONTRACT UPDATE

- 6.1 Dave Markham, head of major works, reported the conclusions of the Arup inspection of the Four Squares estate. On 7 November 2012 tenants and residents had been informed that the estate was structurally sound and in good condition for its age. Arup would provide options to resolve the problems with the brickwork and the contractor Apollo would confirm a price. Officers hoped to contain these within the current £19.1m build cost. Members stressed the importance of keeping within this figure, particularly in view of the impact on leaseholders' bills.
- 6.2 In response to questions, the head of major works explained that Arup had asked the council to identify similar blocks within the borough for further inspection. Officers believed that not all of these would have the problems of brick slippage. The head of major works stated that there were a range of possible options, including different forms of cladding and tying back brickwork, which would prevent similar problems in future years. In response to further questions he stated that Arup were working with Apollo on core sampling in order to determine the extent of deterioration of the concrete.
- 6.3 The head of major works confirmed that Arup had undertaken a geotechnical survey to ensure that neither the Jubilee Line nor underground ponds and rivers were affecting the estate. The buildings were on piles that went down to good solid ground. In response to questions about why problems had occurred now, the head of major works commented that these could have happened at any time and in any area. Over the years, brickwork and concrete expanded and contracted at different rates and adhesion of the brickwork altered.
- 6.4 The head of major works reported back the strategic director of finance & resources' response to the committee's previous concerns about the appointment of Arup.
- 6.5 A member was concerned as to whether the council had involved its insurers. The head of major works indicated that no claim could be made currently and that the insurers had been taken off notice in respect of any major structural risk.

The meeting ended at 9.45 pm