

## Cabinet

Tuesday 19 January 2021  
11.00 am

Online/Virtual: This meeting will be livestreamed on Southwark Council's YouTube channel here: <https://www.youtube.com/user/southwarkcouncil>

### Membership

Councillor Kieron Williams  
Councillor Evelyn Akoto  
Councillor Jasmine Ali

Councillor Stephanie Cryan  
Councillor Helen Dennis  
Councillor Alice Macdonald  
Councillor Rebecca Lury  
Councillor Leo Pollak  
Councillor Catherine Rose  
Councillor Johnson Situ

### Portfolio

Leader of the Council  
Public Health and Community Safety  
Deputy Leader and Cabinet Member for  
Children, Young People and Schools  
Jobs, Culture and Skills  
Social Support and Homelessness  
Communities and Equalities  
Finance and Resources  
Housing  
Leisure, Environment and Roads  
Climate Emergency, Planning and  
Transport

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## INFORMATION FOR MEMBERS OF THE PUBLIC

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### 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.

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**Contact**

[Paula.thornton@southwark.gov.uk](mailto:Paula.thornton@southwark.gov.uk) or [virginia.wynn-jones@southwark.gov.uk](mailto:virginia.wynn-jones@southwark.gov.uk)

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Members of the committee are summoned to attend this meeting

**Councillor Kieron Williams**

Leader of the Council

Date: 11 January 2021



# Cabinet

Tuesday 19 January 2021  
11.00 am

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## Order of Business

Item No.	Title	Page No.
	<b>PART A - OPEN BUSINESS</b>	
	<b>MOBILE PHONES</b>	
	Mobile phones should be turned off or put on silent during the course of the meeting.	
1.	<b>APOLOGIES</b>	
	To receive any apologies for absence.	
2.	<b>NOTIFICATION OF ANY ITEMS OF BUSINESS WHICH THE CHAIR DEEMS URGENT</b>	
	In special circumstances, an item of business may be added to an agenda within five clear working days of the meeting.	
3.	<b>NOTICE OF INTENTION TO CONDUCT BUSINESS IN A CLOSED MEETING, AND ANY REPRESENTATIONS RECEIVED</b>	1 - 3
	To note the items specified which will be considered in a closed meeting.	
4.	<b>DISCLOSURE OF INTERESTS AND DISPENSATIONS</b>	
	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 13 January 2021.	
6.	<b>MINUTES</b>	4 - 20
	To approve as a correct record the minutes of the open section of the meeting held on 8 December 2020.	
7.	<b>DEPUTATION REQUESTS</b>	
	To consider any deputation requests. The deadline for the receipt of a deputation request is midnight Wednesday 13 January 2021.	
8.	<b>COVID-19: UPDATE ON LOCAL INFECTION RATE AND RESPONSE</b>	To follow
	To receive an update on the local infection rate and response to Covid-19.	
9.	<b>TUSTIN ESTATE LOW RISE PROGRAMME - CONFIRMATION OF UNDERTAKING A TUSTIN ESTATE RESIDENTS' BALLOT</b>	21 - 31
	To note the detailed resident engagement to date and to agree to proceed to a Resident Ballot for the final option.	
10.	<b>IMPACT OF BREXIT ON SOUTHWARK - PROGRESS REPORT</b>	To follow
	To note the current position in respect of Brexit.	
11.	<b>POLICY AND RESOURCES STRATEGY 2021-22 TO 2023-24 UPDATE</b>	To follow
	To note issues associated with the policy and resources strategy and agree recommendations.	
12.	<b>HOUSING REVENUE ACCOUNT - FINAL RENT-SETTING AND BUDGET REPORT 2021-22</b>	32 - 59
	To agree recommendations associated with the housing revenue account rent setting and budget for 2021 - 2022.	

Item No.	Title	Page No.
13.	<b>COMMUNITY INVESTMENT PLANS - ALLOCATION OF LOCAL CIL SOUTHWARK - PHASE 2</b>	60 - 95
	To approve the community investment plans for Camberwell Green, Champion Hill, Dulwich Hill, Dulwich Village, Faraday, Goose Green Newington, Old Kent Road, Peckham, Rye Lane, South Bermondsey, and St Giles.	
14.	<b>CONSULTATION ON PROPOSALS FOR THE PRIVATE RENTED SECTOR 2021 - 2026</b>	96 - 125
	To approve the public consultation on the proposals for changes to the Southwark's mandatory licensing scheme.	
15.	<b>ACQUISITION OF LAND FOR THE PURPOSE OF BUILDING NEW COUNCIL HOMES AT ROBERTS CLOSE, CANADA WATER</b>	126 - 135
	To confirm that the council will exercise its option to acquire the affordable housing to be built at Roberts Close, Canada Water.	
16.	<b>LAND AT CANADA WATER</b>	136 - 152
	To approve the appropriation of the land to facilitate the carrying out of the development proposals for the area.	
17.	<b>VOLUNTEER POLICY</b>	153 - 163
	To agree the draft volunteer policy.	
18.	<b>UPDATE ON FAIRER FUTURE PROCUREMENT FRAMEWORK</b>	To follow
	To approve the refreshed Fairer Future Procurement Framework (FFPF).	
19.	<b>CORPORATE ASSET MANAGEMENT PLAN 2021</b>	164 - 169
	To approve the refreshed asset management plan as a key strategic document alongside the council's other resource policies and the central strategy for the management of the council's non-dwellings property holdings.	

<b>Item No.</b>	<b>Title</b>	<b>Page No.</b>
<b>20.</b>	<b>RESPONSE TO CARE HOME QUALITY ASSURANCE RECOMMENDATIONS</b>	<b>170 - 187</b>

To note the responses to the recommendations set out by the health and social care scrutiny commission in their report on care home quality assurance

<b>21.</b>	<b>RESPONSE TO HOUSING SCRUTINY COMMISSION REPORT INTO DISTRICT HEATING</b>	<b>188 - 200</b>
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To notes the responses provided within the report to each of the housing scrutiny commissions recommendations.

<b>22.</b>	<b>AUTHORISATION OF DEBT WRITE-OFFS OVER £50,000 FOR NATIONAL NON DOMESTIC RATES - EXCHEQUER</b>	<b>201 - 204</b>
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To approve the write off a debt deemed irrecoverable under the council's policy.

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

**EXCLUSION OF PRESS AND PUBLIC**

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**

<b>23.</b>	<b>MINUTES</b>	
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To approve as a correct record the closed minutes of the meeting held on 8 December 2020.

<b>24.</b>	<b>ACQUISITION OF LAND FOR THE PURPOSE OF BUILDING NEW COUNCIL HOMES AT ROBERTS CLOSE, CANADA WATER</b>	
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**Item No.**

**Title**

**Page No.**

- 25. AUTHORISATION OF DEBT WRITE-OFFS OVER £50,000 FOR NATIONAL NON DOMESTIC RATES - EXCHEQUER**

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

Date: 11 January 2021



## **Notice of Intention to conduct business in a closed meeting, and any representations received**

### **Cabinet 19 January 2021**

The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 require that the council give a 28 notice period for items to be considered in private/closed session. This has been implemented through the publication of the council's forward plan.

The council is also required under these arrangements to give a further five days notice of its intention to hold the meeting or part of the meeting in private/closed session and give details of any representations received in respect of the private meeting.

This notice issued in accordance with The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 is to confirm that the cabinet meeting to be held on 19 January 2021 at 11.00am online/virtual meeting will be held partly in closed session for consideration of the following items listed on the agenda:

**Item 24:** Purchase of land at Roberts Close, Canada Water for council homes.

The proper officer has decided that the agenda papers should not be made available to the press and public on the grounds that they involve the likely disclosure of confidential or exempt information as specified in categories 1 - 7, of the Access to Information Procedure Rules of the Constitution. The reason for both reports is that they contain information falling within category 3: information relating to the financial affairs of any particular person (including the authority holding that information).

In most cases an open version of a closed report is produced and included on the agenda.

No representations have been received in respect of the items listed for consideration in closed session. Any representations received after the issuing of this notice will be reported at the meeting.

Paula Thornton  
For Proper Constitutional Officer

**Dated:** 11 January 2021

**NOTIFICATION OF CLOSED BUSINESS FOR URGENT CONSIDERATION  
BY AN EXECUTIVE DECISION MAKING BODY**

The required 28 days notice relating to a decision likely to be considered in closed session has not been given on the forward plan in respect of the decision detailed in this document. The matter is considered to be urgent and cannot be reasonably deferred for a further 28 days to enable the required notice to be given. Details of the issue are set out below.

Note: This notice applies to meetings of the cabinet, cabinet committee or community councils considering an executive function.

**DECISION MAKER**

**Name of decision maker:** Cabinet

**Date of meeting:** 19 January 2021

**LEAD OFFICER DETAILS**

**Name and contact details:**

Dominic Cain, Director Exchequer Services  
Dominic.cain@southwark.gov.uk

**DETAILS OF THE REPORT**

*Title and brief description of the nature of the business to be considered:*

**Authorisation of Debt Write-offs over £50,000 for National Non Domestic Rates – Exchequer**

Under the Council's constitution a decision to write off any debt over £50,000 must be referred to Cabinet for authorisation. This report recommends that approval is given to write off a debt of £92,397.63. The value of the debt, from a business that is no longer trading, is now deemed irrecoverable.

The report and appendix is considered closed and not for publication as it contains information relating to the financial or business affairs of a particular person (as per category 3 of paragraph 10.4 of the Access to Information Procedure Rules of the Southwark Constitution).

*What is the potential cost to the council if the decision is delayed?*

£92,367

*How long has the department known the decision required a closed report?*

21 December 2020

**Paula Thornton**  
**For Proper Constitutional Officer**  
**Dated:** 11 January 2021



## Cabinet

MINUTES of the OPEN section of the Cabinet held on Tuesday 8 December 2020 at 11.00 am. Online/Virtual meeting.

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**PRESENT:** Councillor Kieron Williams (Chair)  
Councillor Jasmine Ali  
Councillor Evelyn Akoto  
Councillor Stephanie Cryan  
Councillor Helen Dennis  
Councillor Leo Pollak  
Councillor Alice Macdonald  
Councillor Rebecca Lury  
Councillor Catherine Rose  
Councillor Johnson Situ

### 1. APOLOGIES

All members were present.

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

The chair gave notice of the following late items:

Item 9: The Council Tax base for 2021-22  
Item 10: Policy and Resources Strategy 2021-22  
Item 20: Response to the Housing Scrutiny Commission report on Housing Repairs.

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

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

There were none.

**4. DISCLOSURE OF INTERESTS AND DISPENSATIONS**

There were none.

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

There were none.

**6. MINUTES**

**RESOLVED:**

That the minutes of the meeting held on 20 October 2020 be approved as a correct record and signed by the chair subject to the following amendments (marked in italic):

(i) **Page 5 under Clean Air for Dulwich, in the first paragraph insert:**

*“Representatives from the community within the streets covered by the Streetscape measure in Dulwich Village and East Dulwich, including the Charter School East Dulwich, Dulwich and Herne Hill Safe Routes to School, a local business and East Dulwich Station Healthy Streets, addressed cabinet ....”*

(ii) **Page 5 under Clean Air for Dulwich, amend second paragraph to:**

*“The deputation outlined a number of concerns relating to road danger and the positives gained from healthy streets, accessible neighbourhoods and safety for children. It was noted that the measures implemented should be reviewed not only in relation to reductions in pollution but also in terms of improving safety of vulnerable groups.”*

(i) **Page 4 of the minutes: Item 8**

**Amend this line to read:**

**“RESOLVED:** That the petition from local *and London wide* residents relating to a request to reverse road closures be received.”

## 7. DEPUTATION REQUESTS

There were none.

## ANNOUNCEMENT BY THE LEADER OF THE COUNCIL

Councillor Kieron Williams, Leader of the Council provided an update on the current position in respect of Covid-19.

## 8. SCHOOL STANDARDS YEARLY REPORT

Cabinet placed on record their thanks for the hard work and commitment by schools and their staff in Southwark, in what has been an incredibly challenging and difficult year.

### RESOLVED:

That the 'Best start in life - Southwark school standards report 2019-20' attached at Appendix 1 to the report be noted.

## 9. THE COUNCIL TAX BASE FOR 2021-22

It was not possible to circulate this report five clear days in advance of the meeting. The chair agreed to accept this item as urgent as the council tax base calculation for 2021-22 must be made between 1 December 2020 and 31 January 2021. The figure was used for revenue budget setting purposes and has historically been reported to members at the December cabinet.

### RESOLVED:

1. That the schedule of discounts and exemptions in paragraph 12 of the report, which remains unchanged, with an exception for long-term empty dwellings (empty at least 10 years), effective from 1 April 2021 onwards be approved.
2. That the council tax base for 2021-22 be set at 105,678 (106,284 in 2020-21) band D equivalent dwellings be agreed.
3. That it be agreed the assumed council tax collection level should remain at 97.20% for 2021-22 (97.20% in 2020-21), noting the risks outlined in paragraphs 23, 24 and 25 of the report.
4. That it be noted that the council tax base for 2021-22 for St. Mary Newington parish is set at 11,896 (11,994 in 2020-21) band D equivalent dwellings.
5. That it be noted that the council tax base for 2021-22 for St. Saviour's parish

is set at 1,246 (1,346 in 2020-21) band D equivalent dwellings.

6. That the following be noted:

- No changes to the council tax reduction scheme (CTRS) for 2021-22, as set out in paragraphs 19 to 22 of the report.
- Any minor and consequential amendments to the CTRS written policy are to remain delegated to the strategic director of finance and governance; in consultation with the monitoring officer.

7. That it be noted that the NNDR1 return for 2021-22 showing the national non-domestic rates base will be approved by the strategic director of finance and governance in January 2021.

8. That the proposed continuation of the current council tax section 13a (1)(c) policy covering discretionary relief terms (refer to paragraph 18 of the report) be noted:

- to continue council tax discretionary relief (0% to 100%) for young people leaving Southwark council's care aged 18 to 24 years, for the period 1 April 2021 to 31 March 2022
- to continue foster carers discretionary relief (0% to 100%), for the period 1 April 2021 to 31 March 2022.

## 10. POLICY AND RESOURCES STRATEGY 2021-22

It was not possible to circulate this report five clear days in advance of the meeting. The chair agreed to accept this item as urgent as the council was committed to publishing budget proposals at the earliest possible opportunity to ensure they were available to the public for comments and questions. Presenting the report to cabinet on 8 December 2020 gave the opportunity for debate prior to presentation of budget figures to cabinet on 19 January 2021. Under the council's constitution, there is a requirement for the overview and scrutiny committee to review and challenge budget proposals and this is due to take place on January 2021.

### **RESOLVED:**

#### **Decisions of the Cabinet**

1. That the outcome of the Spending Review delivered on the 25 November and that the provisional local government finance settlement is due to be published on the 17 December 2020 (paragraphs 22-24 of the report) be noted.
2. That it be noted that the intention is to prepare a balanced one year 2021-22

budget for approval by cabinet in advance of council assembly in February 2021.

3. That it be noted that the budget proposals for 2021-22 contained within the report include:
  - Estimated general grant resources of £153.231m, an increase of £0.914m from 2020-21
  - Other grant income of £74.447m, including estimated additional social care grant of £2.3m and homelessness grant of £2.0m
  - Estimated retained business rates income of £18.961m, a decrease of £5.778m from 2020-21
  - Estimated council tax revenues of £123.024m, including a council tax increase of 4.99% (3% adult social care precept and 1.99% general increase)
  - A forecast deficit on the collection fund in 2020-21 after Government funding of £4.5m to be recovered over three financial years commencing in 2021-22
  - Pay provision and contractual inflation of £6.3m.
4. That the current budget options proposed to help achieve a balanced 2021-22 budget (Appendices B to E of the report) be noted including:
  - Efficiency savings of £10.712m
  - Net income reduction of £1.078m
  - Savings impacting on services of £2.741m
  - Commitments and growth of £12.368m.
5. That it be noted, in order to ensure that the base budget is on a secure financial footing a number of commitments are proposed for 2021-22, including £4.55m for leisure services, £4m for temporary accommodation and homelessness and £3.4m for social care (Appendix E of the report).
6. That the updated budget gap for 2021-22 of £9.518m be noted.
7. That officers will complete further work in light of the provisional settlement, when published, to present a fully balanced budget position for cabinet on 19 January 2021.
8. That the departmental narratives and the ongoing equality analyses of the budget proposals (Appendix A of the report) be noted.
9. That the ongoing discussions regarding the continuation of the London Business Rates Pool arrangement into 2021-22 be noted.
10. That officers be instructed to undertake further consultation for new budget options where necessary or appropriate; and

11. That it be noted that the report to cabinet on 19 January 2021 will be considered by overview and scrutiny committee and that any recommendations arising will be incorporated into the final report to cabinet on 2 February 2021 for recommendation to council assembly on 24 February 2021.

### **Decision of the Leader of the Council**

12. That authority be delegated to the cabinet member for finance and resources to determine continuation of the Pooling arrangements in 2021-22.

## **11. HOUSING REVENUE ACCOUNT - INDICATIVE RENT SETTING AND BUDGET REPORT 2021-22**

Information about the rent setting consultation webinar (to be held on the 15 December 2020), has been emailed to all those that have registered for the residents online panel and those registered to attend Local Housing Forum (LHF) meetings and who opted in for updates; a combined total of 863. It has also been sent to all Tenant and Resident Association (T&RA) chairs and Southwark Group of Tenants Organisation (SGTO).

The North East LHF were informed about the webinar at their meeting on 3 December and encouraged to take part and the link to register in the chat has been posted (to date there have been 81 registrations). Other LHF's taking place week commencing 7 December will be similarly advised. Where LHF meetings occur after the webinar, participants will be able to email the resident participation team and be sent a link to the recording and the consultation survey which runs until 31 December 2020.

### **RESOLVED:**

1. That a provisional basis a rent increase of 1.5% for all directly and tenant managed (TMO) housing stock within the housing revenue account (HRA) (including estate voids, sheltered and hostels), with effect from 5 April 2021 be noted. This is the maximum permitted under the Rent Standard 2020.
2. That with regard to other HRA-wide charges, the changes to tenant service charges, comprising estate cleaning, grounds maintenance, communal lighting and door entry system maintenance as set out in paragraphs 22 – 23 of the report with effect from 5 April 2021, be noted on a provisional basis.
3. That the proposed changes to sheltered housing service charges as set out in paragraphs 24 – 26 of the report with effect from 5 April 2021 be noted on a provisional basis.
4. That the changes to charges for garages and other non-residential facilities as set out in paragraphs 27 – 29 of the report, with effect from 5 April 2021 be

noted on a provisional basis.

5. That no increase to district heating and hot water charges as set out in paragraphs 30 – 33 of the report with effect from 5 April 2021 be noted on a provisional basis.
6. That a 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 be affirmed.
7. That officers be instructed to provide a final report on rent setting and the HRA Budget for 2021-22 after due consultation processes with residents have been followed, for consideration at their meeting on 19 January 2021.

## **12. OLD KENT ROAD AREA ACTION PLAN: DECEMBER 2020 DRAFT**

### **RESOLVED:**

#### **Decisions of the Cabinet**

1. That the Old Kent Road Area Action Plan: December 2020 Draft (Appendix A of the report) be agreed for consultation.
2. That the Consultation Plan (Appendix B of the report), Consultation Report (Appendix C of the report), Integrated Impact Assessment (Appendix D of the report), Habitats Regulations Assessment (Appendix E of the report), Equalities Impact Assessment (Appendix F of the report) and Health Impact Assessment (Appendix G of the report) be noted.

#### **Decision of the Leader of the Council**

3. That authority be delegated to the cabinet member for climate emergency, planning and transport to approve any final minor adjustments to the presentation of the Area Action Plan for consultation purposes.

## **13. COMMUNITY INVESTMENT PLANS - ALLOCATION OF LOCAL CIL SOUTHWARK**

### **RESOLVED:**

1. That the Community Investment Plans for Borough and Bankside, Chaucer, Dulwich Wood, London Bridge and West Bermondsey, North Bermondsey, North Walworth, Nunhead and Queen's Road, Peckham, Peckham Rye, Rotherhithe, St George's, and Surrey Quays be approved.
2. That it be noted that a follow up report with all remaining wards will be

submitted to cabinet in January 2021 including Camberwell Green, Champion Hill, Dulwich Hill, Dulwich Village, Faraday, Goose Green Newington, Old Kent Road, Peckham, Rye Lane, South Bermondsey, and St Giles.

3. That it be noted that a further report will be submitted to cabinet within 6 months to reflect on lessons learned from the process to develop Community Investment Plans with recommendations for the future.
4. That the following amendment for the Rotherhithe priority for Albion Street be agreed:
  - Creating a new pedestrian route to/from Canada Watertown centre (Albatross Way) to/from Albion Street, with wayfinding interventions to strengthen and highlight the route.

#### **14. STRATEGIC REVIEW OF YOUTH SERVICES 2020**

##### **RESOLVED:**

##### **That the following be agreed:**

1. The new vision and set of objectives for the youth service as detailed in paragraphs 61 – 62 of the report. These aim to ensure that the voices of young people are at the heart of future decision-making, that young people are able to access the wealth of activities taking place across the borough, and that they can take part in new and exciting opportunities with a range of organisations created through our partnership work.
2. The establishment of a new officer and member joint working group chaired by the deputy leader and cabinet member for children, young people and schools. The group will bring together officers from leisure and children's services to oversee the establishment of a Sure Start for Teenagers.
3. That officers should work with young people through a co-production approach to identify the need and opportunity for a new state of the art facility from which to deliver services and will bring proposals back to cabinet in 2021. A youth led review of facilities and public spaces on Brandon Estate is taking place in January 2021; the findings from this will support the implementation of this recommendation.
4. The bringing together of the Youth and Play grants scheme with the Positive Future Fund, re-named 'Positive Future for Young People Fund', providing a fund of £600,000 in 2021-22 for activities for young people. 10% of this fund will be overseen directly by young people.
5. That a youth parliament be established as the youth leadership forum to steer the future direction of the council's youth offer consisting of a diverse and

representative group of young people.

6. That officers create a commissioning working group with young people including representatives from the current youth council, young advisers, youth offending service, young carers, youth club attendees and others to develop the specification for the new commissioning of activities programme. Officers will return to cabinet in March 2021 with the detailed commissioning plan.
7. To the development of a digital information hub to provide comprehensive, up to date and accessible information about activities and services for young people and their families.
8. The launch of the new “Positive Futures for young people” service in the spring 2021.

**That the following be noted:**

9. The details of the review, which included extensive and in depth engagement with colleagues from across the council, young people, parents/carers, and youth providers and has directly influenced and shaped the recommendations and action plan.
10. The recommendations and detailed action plan arising from the youth review 2020 as detailed in paragraph 63 of the report, which will enable young people to experience vibrant and dynamic activities that will motivate and support them to have happy, healthy and positive futures.

**15. GATEWAY 2 - CONTRACT AWARD APPROVAL FOR SOUTHWARK HIGHWAYS PROFESSIONAL SERVICES CONTRACTS**

**RESOLVED:**

1. That the award of the Southwark Highways Professional Services Contracts in three lots commencing on 1 April 2021 for an initial duration of five years at an estimated cost of £8,750,000 with an option for the council to extend for up to two further years at a cost of £3,500,000 making the total contract value of £12,250,000 if the two years extension is exercised be approved:
  - Lot A Structures to Tenderer H
  - Lot B Highways to Tenderer D
  - Lot C Drainage to Tenderer D.
2. That the decision to exercise the option to extend the contracts, approval for which will be sought via a gateway 3 report be delegated to the strategic director of environment and leisure.

## 16. DRAFT HOUSING ALLOCATIONS SCHEME FOR CONSULTATION

### RESOLVED:

1. That the contents of the proposed draft new housing allocations scheme attached as Appendix 1 to the report be noted.
2. That the proposed consultation arrangements proposed in the report be agreed.
3. That a report comes to cabinet in the spring of 2021 on the outcomes of consultation.
4. That the initiatives described in paragraphs in 10-13 of the report to promote lettings be agreed.

## 17. SOUTHWARK HOUSING STRATEGY 2020

### RESOLVED:

#### Decision of the Cabinet

1. That the Southwark Housing Strategy 2020 (Appendix A of the report) be agreed.

#### Decision of the Leader of the Council

2. That officers be instructed to develop a Southwark Housing Strategy Action Plan and authority be delegated to the cabinet member for housing to agree the action plan.

## 18. ACQUISITION OF 13 S106 RESIDENTIAL UNITS ON CRIMSCOTT STREET SE1

### RESOLVED:

1. That the council be authorised to acquire the long leasehold interest in the property known as 18-19 Crimscott Street shown edged black on the plan at Appendix A to the report pursuant to s120 of the Local Government Act 1972.
2. That authority be delegated to the director of regeneration and the strategic director of housing and modernisation in consultation with the strategic director of finance and governance to agree the terms of the acquisition.
3. That the acquisition be authorised to be made from the housing revenue

account (HRA) investment programme with the primary focus being the delivery of high quality council housing.

## **19. REVIEW OF VOID DISPOSAL STRATEGY**

### **RESOLVED:**

1. That the continuing requirement to raise capital receipts for the housing investment programme including the delivery of 11,000 new council homes, and the role of void disposals in providing a small proportion of those receipts be noted.
2. That it be agreed to revise the criteria for disposals in the void disposal strategy from those agreed by cabinet in July 2014, to those set out in paragraph 39 of the report.
3. That it be noted that the sale of council housing will now only be considered where it benefits the overall capital programme and specifically the development of new build, conversions and roof top homes. This will be assessed on a case by case basis.
4. That it be noted that this will help ensure Southwark to be a place where everyone has a decent home and borough where families can afford to remain and choose to do so.
5. That it be noted that the change in the voids disposal strategy is to address this and ensure that any disposals maximise the overall supply of council homes.
6. That it be noted that an empty homes action plan is due in January 2021.

## **20. RESPONSE TO THE HOUSING SCRUTINY COMMISSION REPORT ON HOUSING REPAIRS**

It was not possible to circulate this report five clear days in advance of the meeting. The chair agreed to accept this item as urgent as there was an outstanding scrutiny response to cabinet from a scrutiny report originally submitted in cabinet in April 2020. In view of the importance of housing repairs for the community, it was considered imperative that cabinet consider this response without delay and as a matter of urgency. As outlined in the report the repairs service affects all council tenants and supports the council's commitment to providing affordable quality housing and deliver on its Fairer Future objectives.

### **RESOLVED:**

That the response to recommendations within the housing scrutiny

commission's report into the housing repairs service be noted.

## **21. CORPORATE CUSTOMER ACCESS STRATEGY 2020-24**

### **RESOLVED:**

1. That the corporate customer access strategy contained within Appendix 1 of the report be noted and endorsed.
2. That the equality and health analysis as per Appendix 2 of the report be noted.
3. That it be noted that the progress and delivery of the corporate customer access strategy will be reported through action plan based on the commitments set out in the strategy and at regular annual reporting on the council plan itself.

## **22. RESPONSE TO THE EDUCATION, BUSINESS SCRUTINY COMMISSION REPORT ON PROCUREMENT: ACCESSIBILITY AND SOCIAL VALUE**

### **RESOLVED:**

1. That officers' responses to the education and business scrutiny commission's report on procurement: accessibility and social value dated July 2020 be noted.
2. That a request for additional resources to take forward work on making procurement opportunities more accessible to local businesses and community organisations is to be made as part of the council's 2021-22 budget setting process be noted.

## **23. ANNUAL WORKFORCE REPORT 2019-20**

### **RESOLVED:**

1. That the workforce report attached as Appendix 1 to the report and the covering report be noted.
2. That it be noted that officers will develop the councils workforce equality plan following on from the recommendations of Southwark Stands Together – Workforce Workstream and continue to implement workforce strategy with areas requiring further consideration, for example career development and in-work progression with a particular focus on under-represented groups.

**24. APPROPRIATION OF LAND: AYLESBURY FIRST DEVELOPMENT SITE (FDS) AND PLOT 18**

**RESOLVED:**

1. That the current position in relation to the delivery of the First Development Site (FDS) (Phase 1b/1c in the Aylesbury Area Action Plan (AAP) of the Aylesbury regeneration programme be noted.
2. That the current position in relation to the delivery of Plot 18 (Site 10 in the AAP) of the Aylesbury regeneration programme be noted.
3. That the area of council-owned land hatched black on the plan at Appendix 1 of the report, identified as the FDS Package B site area, be confirmed as no longer required for the purposes for which it is currently held and it be resolved to appropriate 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).
4. That following completion of the appropriation at paragraph 3 above, the area of council-owned land hatched black on the plan at Appendix 1 of the report identified as the FDS Package B site area be confirmed as no longer required for planning purposes and it be resolved to appropriate 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).
5. That it be noted that the intention would be to proceed on 2-step appropriation of the land hatched black on the plan at Appendix 1 of the report; this to take into account that Ellison House is currently still occupied until the forecast date of March 2021.
6. That the area of council-owned land hatched black on the plan at Appendix 2 of the report, identified as 57-76 Northchurch and Taplow ramp site area, be confirmed as no longer required for the purposes for which it is currently held and (upon vacant possession of 57-76 Northchurch) it be resolved to appropriate 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).
7. That it be confirmed that, following completion of the appropriation at paragraph 6 above, the area of council-owned land hatched black on the plan at Appendix 2 of the report identified as 57-76 Northchurch and Taplow ramp site area will no longer be required for planning purposes and it be resolved to appropriate 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).

**25. APPROPRIATION OF LAND: 345 SOUTHWARK PARK ROAD****RESOLVED:**

1. That the land shown edged red on the plan at Appendix A of the report that is currently held for social care purposes be confirmed as no longer required for those purposes and 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 be approved.
2. That following completion of the appropriation at paragraph 1 above the land shown edged red on the plan at Appendix A of the report be confirmed as no longer required for planning purposes and 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 be approved.

**26. APPROPRIATION OF LAND: GARAGE COMPOUND AT FENDALL STREET BERMONDSEY****RESOLVED:**

1. That the land shown edged red on the plan at Appendix A of the report that is currently held for housing purposes be confirmed as no longer required for those purposes and 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 be approved.
2. That following completion of the appropriation at paragraph 1 above the land shown edged red on the plan at Appendix A be confirmed as no longer required for planning purposes and 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 be approved.

**27. APPROPRIATION OF LAND: CAR PARK AT HEATON ROAD/ CLAUDE ROAD, PECKHAM****RESOLVED:**

1. That the land shown edged red on the plan at Appendix A of the report that is currently held for housing purposes be confirmed as no longer required for those purposes and 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 be approved.

2. That following completion of the appropriation at paragraph 1 above the land shown edged red on the plan at Appendix A of the report be confirmed as no longer required for planning purposes and 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 be approved.

**28. APPROPRIATION OF LAND: GARAGE COMPOUND MALTBY STREET, GRANGE WALK, BERMONDSEY**

**RESOLVED:**

1. That the land shown edged red on the plan at Appendix A of the report that is currently held for housing purposes be confirmed as no longer required for those purposes and 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 be approved.
2. That following completion of the appropriation at paragraph 1 above the land shown edged red on the plan at Appendix A of the report be confirmed as no longer required for planning purposes and 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 be approved.

**29. APPROPRIATION OF LAND: TISSINGTON COURT, ROTHERHITHE NEW ROAD**

**RESOLVED:**

1. That the land shown edged red on the plan at Appendix A of the report that is currently held for housing purposes be confirmed as no longer required for those purposes and 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 be approved.
2. That following completion of the appropriation at paragraph 1 above the land shown edged red on the plan at Appendix A of the report be confirmed as no longer required for planning purposes and 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 be approved.

### **30. APPROPRIATION OF LAND: GARAGES AT FENHAM AND NUTCROFT ROADS**

#### **RESOLVED:**

1. That the land shown edged red on the plan at Appendix A of the report that is currently held for housing purposes be confirmed as no longer required for those purposes and 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 be approved.
2. That following completion of the appropriation at paragraph 1 above the land shown edged red on the plan at Appendix A of the report be confirmed as no longer be required for planning purposes and 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 be approved.

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

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.

### **31. MINUTES**

The minutes of the closed section of the meeting held on 20 October 2020 were approved as a correct record.

### **32. GATEWAY 2 - CONTRACT AWARD APPROVAL FOR SOUTHWARK HIGHWAYS PROFESSIONAL SERVICES CONTRACTS**

The cabinet considered the closed information relating to this item. Please see item 15 for the decision.

### **33. ACQUISITION OF 13 S106 RESIDENTIAL UNITS ON CRIMSCOTT STREET SE1**

The cabinet considered the closed information relating to this item. Please see item 18 for the decision.

The meeting ended at 1.17pm.

**CHAIR:**

**DATED:**

**DEADLINE FOR NOTIFICATION OF CALL-IN UNDER SECTION 17 OF THE OVERVIEW AND SCRUTINY PROCEDURE RULES IS MIDNIGHT, WEDNESDAY 16 DECEMBER 2020.**

**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> 9.	<b>Classification:</b> Open	<b>Date:</b> 19 January 2021	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Tustin Estate Low Rise Programme - Confirmation of undertaking a Tustin Estate Residents' Ballot	
<b>Ward(s) or groups affected:</b>		Old Kent Road	
<b>Cabinet Member:</b>		Councillor Leo Pollak, Cabinet Member for Housing	

### **FOREWORD - COUNCILLOR LEO POLLAK, CABINET MEMBER FOR HOUSING**

The council's Great Estates programme sets out our approach to 'expand and enrich' our council estates, with residents given a decisive influence over how to improve their estate. Following many months of workshops walkabouts and hundreds of conversations with residents across the Tustin Estate we are now looking to bring forward a final agreed option to put to a yes/no ballot to be run this February. This report confirms the council to move forward with Option 5 following a 'whittling down' ballot late last year with residents offering their preferences among different redevelopment and refurbishment options.

Option 5 seeks to redevelop the blocks on the estate - except for the Towers and Manor Grove, both of which will be refurbished - building hundreds of brand new council homes in addition to replacement council homes, as well as the creation of dedicated Over 55s housing, a new park at the centre of the estate, a new Pilgrims' Way Primary School and new retail and business spaces on the Old Kent Road and Ilderton Road.

This redevelopment of the estate would bring with it a broad range of benefits for people living on and around Tustin Estate from larger and better quality homes of all types and for all ages, to a safer, greener and more attractive landscape around the estate. The landlord offer that accompanies the ballot details how we intend to keep the community together through this process, and reflects the priorities set out in the Tustin Community's Association's residents' manifesto.

Needless to say, the final decision lies with Tustin residents and the council will abide by residents' decision, as per the Great Estates terms for redevelopment proposals adopted in December 2018.

I want to put on record my deep thanks to the Tustin Community Association and resident project team, together with the officers and architects whose collaboration to date has helped create this exciting new option for the evolution of the Tustin estate.

## RECOMMENDATIONS

### Recommendations for the Cabinet

1. To note the detailed resident engagement to date and thank the Tustin Community Association and the Resident Project Team for their work to date.
2. Agree to proceed to a Resident Ballot for the final option, on the basis of the proposals and commitments within the Landlord Offer Document, for the Tustin Estate Low Rise Programme in February 2021. The final option is as described below.

Redevelopment of the low-rise homes with:

- The demolition and replacement with new homes of Bowness House, Heversham House, Hilbeck Close, Kentmere House & Ullswater House
  - Retention of the houses in Manor Grove with improvements to the tenanted homes
  - New houses in between the houses on Manor Grove itself
  - A new park in the centre of the estate
  - A new Pilgrims' Way School
  - New retail and business spaces on the Old Kent Road and Ilderton Road.
3. To note that the proposals align with the Great Estates programme for redevelopment proposals and as such the below five tests will be achieved.
    1. a positive ballot on any new estate regeneration (as per the commitment in the Council Plan 2018-2022);
    2. a net increase in social rent homes alongside increased density, to meet the acute need of families on our waiting list;
    3. a right to remain for all rehoused tenants and leaseholders, for keeping communities together;
    4. intensive co-design of redevelopment proposal, to become co-authors of a new estate plan;
    5. a clear rationale for any redevelopment proposal, including an explanation of how this would increase housing supply (based on comprehensive density modelling) and/or a transparent stock condition survey.
  4. Agree to delegate authority to the Director of Housing in consultation with the Cabinet Member for Housing to make any necessary amendments to the Landlord Offer document in advance of the Resident Ballot.

5. Agree to receiving a report on the outcome of the ballot in March 2021 and a further report on the consequent delivery programme and financial implications in July 2021.
6. Agree to a variation to the Housing Investment Programme, making provision for the estimated costs of developing the delivery programme and assessing financial implications in advance of the Cabinet report in July.

### **Recommendation for the Leader of the Council**

7. To delegate to the Cabinet Member for Housing the authority to confirm a dedicated Tustin Estate Local Lettings Policy subject to a majority vote in favour of the redevelopment option.

### **BACKGROUND INFORMATION**

8. The Tustin Estate Improvement and Rebuild Programme was initiated in May 2019. It is also known as the Tustin Estate low-rise programme. This programme of work seeks to improve the quality of the low-rise homes on the estate, build more council homes where resident opinion supports this, and improve the wider environment on the estate to support quality of life. This programme of engagement on investment and options for the future of the low-rise homes and the wider estate re-started engagement that did not progress in 2016.
9. The Tustin Estate comprises of a mixed typology of homes totaling 528 homes There are 230 homes in three towers and 298 homes in low-rise blocks. Thethree towers are currently undergoing major refurbishment and the creation of 13 new hidden homes; one block of non-self contained flats in use as a hostel for residents seeking temporary accommodation (Ullswater); four low rise blocks of flats and maisonettes and terraced houses. The tenure on the estate is also mixed and includes those looking for temporary accommodation; council tenants; private tenants; resident and non-resident leaseholders as well as resident and non-resident freeholders.
10. The programme sits within the framework of Southwark Council's Council Plan which seeks to build more new homes; the Housing Strategy 2043 which seeks to invest in homes, establishes a target for 11,000 new homes at Council rent levels and supports homeownership; the Great Estates 'expand and enrich' programme which seeks to identify appropriate sites on our estates for building new council homes and find new ways of working with residents to improve the look, feel and lived experience of our estates; and the Protocol for Consideration of New Homes, Charter of Principles.
11. This programme has also been developed in line with the Mayor of London's Good Practice Guide to Estate Regeneration. The Mayor of London has placed a condition on landlords to carry out a resident ballot to be eligible for funding for new affordable homes. The GLA requirement state "*A positive ballot is one where there is a simple majority of those eligible*

*residents voting that choose “yes” – that is, in favour of the Landlord Offer to regenerate the estate. There is no minimum threshold for turnout in a ballot.”*

12. The Tustin Estate Improvement and Rebuild Programme supports resident-led decision making on the future of the estate and consequently a programme of engagement. At the outset of the programme four options for the estate were identified and shared with residents at a public meeting in June 2019 as follows:

- Do nothing
- Refurbish blocks and extend or build more homes between existing blocks
- Knock down some or all of the blocks and replace them with new ones
- Improve and / or expand the school and business space.

13. Subsequent to the June 2019 public meeting the options evolved through discussion with residents, the Resident Project Group and the Tustin Community Association (TCA). A number of steps informed this evolution, notably the drafting of the feasibility and master-planning design brief with resident input; emerging, latest and final options estate wide meetings held between November 2019 and March 2020 and weekly drop in design events held between December 2019 and March 2020.

14. Five final options were confirmed in March 2020. The final options were as follows were option 5 was a sub option of option 4.

Option 1 – Maintain Tustin

Option 2 – Refurbish Tustin with New Infill Homes

Option 3 – Partial Refurbishment and Partial Redevelopment

Option 4 – Redevelop Tustin

Option 5 – Redevelop Tustin and Maintain Manor Grove with New Infill Homes.

15. Subsequent to confirming the final five options and subsequent to a pause in the programme due to the outbreak of the Covid-19 Pandemic, a resident survey on the options took place. It was managed by an independent organisation. The options survey sought to identify one preferred option that had resident support via a single transferable vote and to understand resident opinion on a housing block by housing block basis as well as by tenure.

16. The results of the Options Survey led the decision-making on the final options. The confirmed decision and the details of the decision were made via an Individual Decision Making (IDM) process: ‘The final option for the Tustin Estate Improvement and Rebuild Programme’. This IDM confirms Option 5, the option described in the recommendations, as the final option to be taken to a Resident Ballot. The decision to proceed to a Resident’s Ballot is the subject of this report.

17. The resident ballot will ask residents '*Are you in favour of the proposal for the re-development of the low rise homes on the Tustin Estate?*' Where a majority of eligible residents vote 'yes' in favour of the proposals, it will be recommended to proceed with these proposals, the final option. Where a majority of eligible residents vote 'no' against the proposals the option to repair and maintain the estate (option 1) will be recommended to proceed. These recommendations will be subject to detail financial appraisal which will be reported back to Cabinet in July.
18. The option to repair and maintain the estate will exclude separate decision making regarding Ullswater House. Ullswater House is a non-self contained hostel. Due to the implications of social distancing arising from the Covid-19 pandemic, this block was emptied and a separate decision on the block regarding its redevelopment has been made.

## **KEY ISSUES FOR CONSIDERATION**

### **Resident Engagement and Involvement**

19. The IDM on '*The final option for the Tustin Estate Improvement and Rebuild Programme*' sets out the breadth and depth of resident involvement in the feasibility and design of the options as well as involvement in the decision making process.
20. The final option was endorsed by the Tustin Community Association (TCA) and Resident Project Group (RPG) at respective meetings in November 2020.
21. The final option has been subject to further resident engagement related to refining the final option in design terms as well as refining the council's commitments to residents and stakeholders of the estate.
22. Prior to the commencement of the Resident Ballot, further work will be carried out to share details of the final option with households to ensure their vote is based on the most up to date and correct information.

### **Resident Ballot**

23. The Resident Ballot will comply with GLA Estate Regeneration Ballots as the Council support the use of a Resident Ballot on estate regeneration and renewal and to ensure eligibility for GLA grant funding.
24. Estate Regeneration Resident Ballot requirements mean there is no minimum turnout needed, the result will be based on a simple majority, the ballot is conducted by an independent organisation, Civica Election Services, and that voter eligibility criteria applies.
25. The Council support the proposals and as such will campaign for a positive vote in favour of the final option / proposals.

26. The results on the ballot will be presented to Cabinet in March 2021.

### **Delivery**

27. The delivery programme for the outcome of the Resident Ballot will be presented to Cabinet in July 2021 including:

- A financial appraisal
- A procurement strategy
- Resourcing plan
- Resident Engagement Plan.

28. The delivery programme will provide for the duration of the programme allowing for flexibility and change.

### **Policy implications**

29. Both options presented in the Resident Ballot, via the 'yes' and 'no' vote align with the Council Plan, Housing Strategy and Great Estates programme and the Protocol for Consideration of New Homes, Charter of Principles.

30. Discussions with homeowners, resident and non-resident, will be subject to Local Government Act 2000 and payment of homeloss and disturbance payments will be in line with the requirements of compulsory purchase legislation.

31. The options will also align with National, Regional and Local Planning policy frameworks including the Old Kent Road Area Action Plan (OKR AAP).

32. The options have been considered in light of the Council's Climate Emergency Declaration. The carbon footprint associated with each of the options has been modelled against the existing baseline and includes a calculation of the options against an uplift of carbon associated with delivering a similar number of homes in the redevelopment option on an alternative site elsewhere in the borough.

33. Appendix 3, the Sustainability Strategy provides principles for moving forward with the final option and details how the estate will transition from its current operation to a lower carbon estate in both scenarios, a repair and maintain option or a redevelopment option. The strategy details the commitment to reaching Net Zero Carbon and strategies to achieve this as well as connecting to South East London Combined Heat and Power (SELCHP) Network

34. Commitments established in the Landlord Offer Document (see Appendix 1) detail a local lettings policy specific to the Tustin Estate. The principles of a future policy are outlined in the Offer Document. The principles apply existing allocations policy to the

estate. It also states that 100% of the additional council homes on the estate will be made available to residents on the housing waiting list 12 months prior to the Ballot to keep the existing community together.

### **Community impact statement**

35. Section 149 of the Equality Act, lays out the Public Sector Equality Duty (PSED) which requires public bodies to consider all individuals when carrying out their day to day work – in shaping policy, in 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. The council’s Approach to Equality (“the approach”) commits the council to ensuring that equality is an integral part of our day to day business.
36. The Equality and Health Impact Assessment (EHIA) can be found at Appendix 2. The EHIA was carried out independently by Mott Mc Donald. The EHIA focuses on the potential effects, including health effects, likely to be experienced by those living and working in the community in light of their ‘protected characteristics under the Equality Act 2010. It identifies any differential or disproportionate effects, both positive and negative, on those with protected characteristics from the programme and from the options and sets out mitigation or enhancement measures that the council can put in place. It looks at these factors ahead of confirming decisions and policy.
37. This report was produced having established the demographic baseline of the estate and with community engagement and analysis of the ‘Starting the Conversation Questionnaire’ which sought to understand resident’s needs.
38. The EHIA has been developed in two stages. The first stage supported the options process and resident and council decision making on the option. The second stage considers refinements to the Final Option.
39. The report considers the design as well as the emerging council commitments to residents that have formed the basis of the programme and consultation.
40. The EHIA considers each option during the process of renewal as well as after the completion of works or renewal.
41. Equality and health impact analysis demonstrates that the decision shows no potential for discrimination and the council has taken all appropriate opportunities to advance equality of opportunity and foster good relations between people with different protected characteristics.
42. The mitigation measures outlined in the report will be taken forward in the delivery programme.

43. The Human Rights Act 1998 (“the 1998 Act”) incorporates into domestic law the European Convention on Human Rights.
44. In the Council’s view the first recommendation of this report engages certain human rights under the 1998 Act. The term ‘engage’ simply means that human rights may be affected or relevant matters for consideration.
45. In the case of the recommendation to redevelop the low-rise homes a number of rights are potentially engaged and the Council has given these matters due consideration, namely:
- Article 8: The right to respect for private and family life – the recommendation proposes to partially demolish and regenerate the Tustin Estate. This would lead to the re-provision of new homes and public realm, and the demolition of some homes; and
  - Article 1, Protocol 1: Protection of Property – Article 1 protects the right of individuals to the peaceful enjoyment of possessions. No individual can be deprived of his/her possessions except in the public interest and subject to the relevant national and international law. The Council recognises the potential for interference with individuals’ right to peaceful enjoyment of existing and future homes upon the implementation of the recommendation, should that option be selected.
46. Notably, not all human rights operate in the same way. Few rights are absolute and thus cannot be interfered with under any circumstances. Other ‘qualified’ rights, including the aforementioned Article 8 and Protocol 1 rights, can lawfully be interfered with or limited in certain circumstances. The extent of legitimate interference is subject to the principle of proportionality whereby a balance must be struck between the legitimate aims to be achieved by a local authority in seeking to bring about regeneration in the public interest against potential interference with individual human rights.
47. It is acceptable for the Council to strike a balance between the legitimate aim of regeneration for the benefit of the community as a whole, and the additional benefits of regeneration such as the new park and school, against potential interference with some individual rights where residents are re-housed, in some cases where they may not have supported the regeneration or voted for it in a ballot.

### **Resource implications**

48. The recommendations made in this report do not in themselves give rise to any financial implications. However, should the recommendation proceed to a Resident Ballot for the final option be approved, the options put forward will have financial implications and these will be subject to a financial appraisal which will be reported back to Cabinet in July 2021.

49. At this stage, the estimated cost of the options are indicative only. The estimated cost of Option 1 (the repair and maintain option) for homes over 30 years is a minimum of £32.7m excluding improvements, cyclical and responsive maintenance, professional fees, contractors preliminaries, and equality act adaptations. The estimated cost of refurbishment of the school over 30 years is 4.6m.
50. The estimated cost of Option 5 (redevelopment of the estate) is £290m. These costs allow for the replacement and refurbishment of all council homes, the replacement of leaseholder homes and the construction of an estimated 400 – 500 new homes with 50% of new additional homes being council homes and 50% being private for sale homes. These costs also include a new school built to meet future needs and temporary and new commercial units to replace those lost via demolition. The costs allow for Climate Change commitments including connection to SELCHP (South East London Combined Heat and Power), net zero carbon for new and refurbished homes. It is anticipated that the redevelopment will attract grant funding of up to £43.4m, generate net land receipts of over £20m and attract considerable private finance towards the costs of the homes for sale. These funding sources will be assessed further in advance of the report to Cabinet in July 2021.
51. Staffing for the delivery of the outcome of the Resident Ballot will be presented in the delivery programme due to be presented to Cabinet in July.
52. Both options would form part of the Council's Housing Investment Programme, and the costs will be met from Housing Revenue Account (HRA) resources supporting that programme, which is likely to include GLA grant and borrowing where necessary and appropriate.
53. The scale of the Tustin Low Rise programme is such that it is likely to require a review and re-prioritisation of other elements within the Housing Investment Programme to ensure it remains affordable and sustainable.

### **Consultation**

54. The recommendation to proceed with a Resident Ballot is based on a resident-led decision making process.
55. The delivery programme will provide for ongoing consultation and engagement with residents and stakeholders of the estate and the programme of consultation and engagement will be established with residents.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Director of Law and Governance**

56. From 18 July 2018 the Mayor of London made it a requirement that any landlord seeking GLA funding for estate regeneration projects involving the demolition of social housing would have to show that residents had supported the proposals through a ballot. The background to this was to make sure that GLA funding only supported estate regeneration projects where residents had had a clear say in the plans and support them going ahead.
57. This report sets out the ways in which the Council has sought to engage with residents throughout this project. The ballot itself, which is the subject of this report, is being organised and run in accordance with the recommendations of the GLA Capital Funding Guide, which sets out how ballots should be run. In particular the guide requires the appointment of an independent body to undertake the ballot, and the report confirms at paragraphs 14 and 23 that an independent body has been appointed.
58. 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. Relevant protected characteristics for the purposes of the Equality Act are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
59. An Equality and Health Impact Assessment has been commissioned and the report sets out details of this and how its findings will inform the council's implementation of the option as chosen by residents in the ballot.
60. The report also sets out how the implications of the Human Rights Act have been considered and how a balance will need to be struck between the rights of individuals and the benefits to the wider community which may be brought forward, depending on the option chosen by residents.

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

61. This report seeks Cabinet approval to proceed to a Resident Ballot for the final option for the Tustin Low Rise Programme as outlined in this report. Although the report's recommendations do not give rise to any immediate financial implications, the outcome of the Ballot, should it proceed, will. This outcome will be reported to Cabinet in March 2021 with a further report on the consequent delivery programme and financial implications in July 2021. As outlined in the financial implications of this report, any outcome from the

Ballot will form part of the Council's Housing Investment Programme and will be met by HRA resources supporting that Programme. If selected, the recommended option will incur significant capital expenditure, which is likely to necessitate a review of the overall Housing Investment Programme to ensure that it remains affordable and sustainable.

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
IDM 'The final option for the Tustin Estate Improvement and Rebuild Programme'	Regeneration South, Chief Executive's Department	Sophie Hall-Thompson, 07849 093070
<b>Link: (please copy and paste into browser)</b> <a href="http://moderngov.southwark.gov.uk/mgDecisionDetails.aspx?Ild=50024583&amp;Opt=1">http://moderngov.southwark.gov.uk/mgDecisionDetails.aspx?Ild=50024583&amp;Opt=1</a>		

## APPENDICES

No.	Title
Appendix 1	Landlord Offer Document
Appendix 2	Equalities and Health Impact Assessment (EHIA)
Appendix 3	Sustainability Strategy

## AUDIT TRAIL

<b>Cabinet Member</b>	Councillor Leo Pollak, Housing	
<b>Lead Officer</b>	Mike Tyrrell, Director of Ledbury	
<b>Report Author</b>	Sophie Hall-Thompson, Regeneration Manager	
<b>Version</b>	Final	
<b>Dated</b>	11 January 2021	
<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 Governance	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>	11 January 2021	

<b>Item No.</b> 12.	<b>Classification</b> Open	<b>Date:</b> 19 January 2021	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Housing Revenue Account – Final Rent-Setting and Budget Report 2021-22	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Members:</b>		Councillor Rebecca Lury, Finance and Resources and Councillor Leo Pollak, Housing	

**FOREWORD – COUNCILLOR REBECCA LURY, CABINET MEMBER FOR FINANCE AND RESOURCES AND COUNCILLOR LEO POLLAK, CABINET MEMBER FOR HOUSING**

We are committed to ensuring the council’s 55,000 rented, leasehold and freehold homes are well maintained and managed. The money we use to do this sits within our Housing Revenue Account (HRA). Tenants and homeowners pay their rents and service charges into the HRA and this money is then used to fund all the activity needed to ensure our homes and estates are well run and in good condition. As this money comes from our tenants and homeowners we are committed to consulting them on how it is spent so it is always used in ways that best meet their needs and improve their homes.

This report sets out a final budget for next year’s HRA (2021-22) and also considers what the appropriate charges should be for a variety of housing services. Also included is an appendix setting out the result of our consultation on the proposals with tenants and homeowners which took place during December.

While this year sees the second year of modest rent increases following 4 years of forced reductions under the National Rent Reduction of the Welfare Reform and Work Act 2016, the council is continuing to claw back an estimated £62.5m cumulative reduction in the annual HRA budget, all while our financial planning has been hit further by the impact of the Covid-19 pandemic.

Under this substantial pressure we have worked hard to protect frontline housing services for our tenants and residents whilst also ensuring long-term investment in making our homes warm, dry and safe continues apace. However, with the ending of the rent cap the Council is proposing a rent rise of inflation plus 1% (in this case 1.5%), representing an average £1.67 per week increase. Southwark's rents will remain 8% lower than the government's assumed target and the 8<sup>th</sup> lowest of the 29 London Boroughs with retained housing stock.

As well as managing our existing homes, the council also uses the HRA to build new council homes at council rents as part of our commitment to build 11,000 new council homes. The HRA is also used to invest in crucial building safety and energy efficiency improvements, as well as much-needed heat network upgrades, more

detail of which will be presented in our housing asset management strategy refresh over the coming months.

The council will continue to urge Government to support the full suite of new energy efficiency and building safety standards currently making their way through Parliament, to reclassify council housing as infrastructure in Treasury global accounts, all while submitting ambitious bids as and when available grant funding becomes available.

## **RECOMMENDATIONS**

1. Cabinet agrees a rent increase of 1.5% for all directly and tenant managed (TMO) housing stock within the HRA (including estate voids, sheltered and hostels) with effect from 5 April 2021. This is the maximum permitted under the Rent Standard 2020.
2. With regard to other HRA-wide charges, cabinet agrees that tenant service charges, comprising estate cleaning, grounds maintenance, communal lighting and door entry maintenance be increased as set out in paragraphs 16 and 17 with effect from 5 April 2021.
3. Cabinet agrees the proposed changes to sheltered housing service charges as set out in paragraph 18 with effect from 5 April 2021.
4. Cabinet agrees the changes to charges for garages and other non-residential facilities as set out in paragraph 19 with effect from 5 April 2021.
5. Cabinet agrees that there be no increase to district heating and hot water charges as set out in paragraph 20 with effect from 5 April 2021.
6. Cabinet agrees the HRA budget proposals set out in this report and notes these changes ensure a balanced budget is set as required by statute.
7. Cabinet reaffirms the commitments made last month to ensure that savings made are primarily based on efficiencies, and where staffing reductions form part of any said savings, that due consultation and process is followed with trade unions.

## **BACKGROUND INFORMATION**

### **Indicative HRA budget (8 December report)**

8. Cabinet on 8 December 2020 considered the indicative HRA rent-setting and budget position for 2021-22. This report contained all of the background information necessary to consider the reasons behind the proposals for rents and other charges. It is not proposed to repeat this detail here, but where further and updated information has been received that is germane to this process it is outlined below. However for ease of reference the appendices to the indicative report are repeated as they set out the detail behind the various

categories of year-on-year budget movement. Any resolutions or comments arising from the consultation process are included within Appendix F.

9. The purpose of this final report is to seek formal approval of the recommendations in respect of rents and other charges outlined at paragraphs 1 to 7 above.

### **Statutory framework**

10. The 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 HRA forms a specific part of the council's accounts, and a report regarding the general fund budget including those aspects provided via the housing and modernisation department is being considered separately.
11. Whilst there is no statutory requirement to consult, the council is committed to engaging with stakeholders, particularly under the terms of the Tenancy Agreement, and so the December report formed the basis of virtual consultation by means of a webinar conducted by officers on 15 December with residents that had registered an interest, alongside an extended period afterwards for others to raise questions and/or make comments, through the council's consultation hub.
12. The council is obliged by statute to agree a balanced HRA budget, whereby income and expenditure levels for the forthcoming year match. Appendix A summarises budget movements between 2020-21 and 2021-22, predicated on the basis of a rent increase of 1.5% and other proposed changes to charges and budget movements.

### **Average rent levels**

13. Southwark has a history of low or inflation-linked rent rises, and has always adhered to the government's rent formula when setting rents, with the single exception to agree a lower rent increase in 2014-15, equivalent to CPI for that year, as the implied national increase was considered to be too high. Southwark's rents remain between 8% – 9% lower than the government's assumed target and rank 8<sup>th</sup> lowest of the 29 London Boroughs with retained housing stock.
14. In terms of rent levels for 2021-22, the table below sets out the current average rent by bed-size and the indicative average rent after the proposed increase (calculated on the same stock base for consistency).

<b>Bedrooms</b>	<b>Average weekly rent 2020-21 £ per week</b>	<b>Average weekly rent 2021-22 £ per week</b>	<b>Average increase £ per week</b>
0	80.33	81.59	1.26
1	92.06	93.49	1.43
2	101.64	103.27	1.63
3	111.16	112.98	1.82
4	120.03	122.07	2.04
5	131.53	133.65	2.12
6+	144.80	147.52	2.72
<b>Total/Ave</b>	<b>101.57</b>	<b>103.24</b>	<b>1.67</b>

## KEY ISSUES FOR CONSIDERATION

### Dwelling rents

15. As set out in the indicative budget report, the Ministry for Housing, Communities and Local Government (MHCLG) indicated that rent increase levels would revert to September CPI+1% increases for five years post-2020. To that end they extended the remit of the Regulator for Social Housing to cover the local authority sector, and directed the Regulator to issue a new Rent Standard, setting the maximum rent increase at 1.5% (being September 2020 CPI +1%). The 8 December report indicated that this is the level of rent increase to be adopted by the council.

### Tenant service charges

16. The principle underpinning the calculation of charges is that they are set at a level to recover the estimated cost of providing the service; borough-wide costs are pooled in order to moderate any area cost differentials and divided by the estimated number of service recipients to derive a standard charge. 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. Crucially they remain eligible for welfare benefit support.
17. The existing and proposed rates for tenant service charges are set out below.

	<b>2020-21 £ per week</b>	<b>2021-22 £ per week</b>	<b>Change £ per week</b>
Estate Cleaning	5.99	6.13	0.14
Grounds Maintenance	1.26	1.42	0.16
Communal Lighting	1.34	1.46	0.12
Door Entry System Maintenance	0.66	0.66	–
<b>Total</b>	<b>9.25</b>	<b>9.67</b>	<b>0.42</b>

### Sheltered housing service charges

18. As set out in the December report sheltered housing service charge rates have not kept pace with costs, and whilst full cost recovery implies a weekly rate of £34.69, the council intends to continue to phase this increase over a number of years. To that end, the recommended increase for 2021-22 has been capped at £33.20 (an increase of £2.18 per week). Given the phasing, the anticipated charge in 2022-23 will be £35.38 (based on current inflation indices).

### Garage charges

19. The previous HRA budget report made reference to the garage portfolio, the on-going renewal and refurbishment programme and the need to benchmark charges against inner London comparators. Taking into account these various factors, the recommendation in the indicative budget report remains that standard charges for council residents (secure tenants, resident leaseholders/freeholders) are increased by 2.1%; and by for 5% for private sector renters. The resultant charges are set out in the table below.

	2020-21 £ per week	2021-22 £ per week	Change £ per week
<b>Standard charge</b>	<b>21.30</b>	<b>21.75</b>	<b>0.45</b>
Concessionary rate (£5 reduction)	16.30	16.75	0.45
Small sites rate	11.30	11.50	0.20
Private sector rate*	35.30	37.30	1.80
Additional charges:			
Larger than average garage	5.30	5.40	0.10
Additional parking	5.30	5.40	0.10
Water supply	0.50	0.50	–
Additional security	1.00	1.00	–

*N.B. the private sector charge is inclusive of VAT at the standard rate*

### Heating and hot water charges

20. The December report set out how 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. 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 2021-22.

## **Budget movement schedules**

21. Further detail on the composition of the HRA budget movements by category: budget pressures and commitments, income generation, and efficiency savings is contained in the appendices to this report, and also in the main body of the 8 December report. There are two significant changes to the 'indicative' schedules – a proposed saving with regard to the underoccupation service within the Customer Experience division (ref. 303) has been removed, and the overall inflation allowance within the HRA has been reduced to mitigate this.

## **Community impact statement**

22. In line with our Public Sector Equality Duty contained within section 149 of the Equality Act 2010, 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 in the event, how such issues can be mitigated. Analysis is also undertaken to consider any cross-cutting and council-wide impacts. To date no cumulative impacts have been identified.
23. Information on the equality analysis is shared with cabinet so as to enable it to be considered when decisions are taken. Changes to services will be implemented in such a way so as to not impact disproportionately on any specific section or group in our community or staff cohort, and where necessary, consultation will be undertaken alongside mitigating action.
24. 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 was determined nationally and required authorities to reduce rents by 1% per annum. However, from 2020-21 rents are proposed to increase by CPI+1% and it is recognised that any increase in rents and charges may present particular difficulties for people on low incomes. However, rents and tenant service charges remain eligible for housing benefit/universal credit.
25. 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.

## **Consultation and notification**

26. The purpose of presenting rent-setting and budget information to cabinet in two stages is to facilitate the early commencement of consultation with representative groups (i.e. before the Christmas break). To that end, the 8 December report was labelled 'indicative' and figures therein were subject to

change. As noted above, there are two amendments to the indicative schedules within this final report.

27. Cabinet resolved on 4 February 2020 to reform the means by which it consults with and involves residents in decision-making, and to implement the Resident Participation framework as recommended by an independent review process during the previous year. To that end Tenant Council and Homeowner Council were replaced by a joint tenant and homeowner forum, supported by five area housing forums, amongst other changes. At the time for consultation on the December report, the tenant and homeowner joint forum had not been fully constituted. Given the circumstances created by the pandemic officers arranged and conducted a webinar on 15 December 2020 for residents to hear a presentation on the December report and submit questions. A consultation hub on the budget report was also established on the council's website for those who could not attend to register their views. This hub was open until 31 December 2020, and outcomes from it and the live meeting are summarised in Appendix F.

### **Statutory and contractual notifications**

28. Subsequent to the approval of this final report on 19 January, 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 commencement of the new rents and charges referred to above.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Director of Law and Governance**

29. The report sets out a Final Budget for the Housing Revenue Account (HRA) for 2021-22. Members are invited to approve:
- A rent increase for existing directly managed and TMO managed tenancies;
  - An increase made in tenant service charges;
  - An increase made in charges for garages and other non-residential facilities;
  - An increase made to charges for sheltered housing service charges;
  - No increase in district heating and hot water charges; and
  - The HRA budget proposals in the report.
30. The financial and budgetary considerations underpinning officer recommendations are explained in the body of the report and its annexes.

## Policy and Legislative Context

31. The **Local Government and Housing Act 1989** (“the 1989 Act”) sets out legal requirements the council must comply with in relation to housing finance. In particular, Section 74 of the 1989 Act places a duty on the council to maintain a Housing Revenue Account (“HRA”) and, under Section 76 of the Act duties to budget to prevent a debit balance on the HRA, to implement and to review the budget.
32. The **Housing Act 1985** (“the 1985 Act”) Section 24 makes provision for the council to “*make such reasonable charges as [it] may determine for the tenancy or occupation of [its] houses*” with the requirement from time to time, to review rents and make such changes as circumstances may require.
33. This provision conferring discretion as to rents and charges made to occupiers within the scope of the above HRA provision, has also been subject to further restrictions arising from the provisions of the **Welfare Reform and Work Act 2016** (‘the 2016 Act’).
34. The 2016 Act, and regulations made pursuant to it, require the council to ensure (with limited exceptions) that for each relevant year the rents payable by its social tenants is reduced by at least 1% year on year from a frozen 2015-16 baseline, for a period of four years . Provision is also made 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.
35. 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.
36. From 1 April 2020 the council must set rents in accordance with the **Rent Standard 2020** (“the 2020 Standard”) issued by the Regulator of Social Housing on the direction of the Secretary of State for Housing, Communities and Local Government using powers granted by the Housing and Regeneration Act 2008 Section 197. The direction on Rent Standards 2014 ceased to have effect in relation to rents from 1 April 2020.
37. The 2020 Standard allows the council to apply annual rent increases, over a five year period, of up to 1% above the general index of consumer prices; CPI. The 2020 Standard sets out the formula to be applied to social and affordable rents for existing tenants, to fair rents and for tenants moving between different types of rent.
38. The council must comply with the rules contained in the 2020 Standard; Housing and Regeneration Act 2008 section 194(2A). There is additionally a requirement to provide information to the Regulator of Social Housing when required and a duty to report non-compliance or potential non-compliance.

### Consultation

39. 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 for secure tenants and Sections 137 and 143A of the Housing Act 1996 for introductory and demoted tenants.
40. As a term of the tenancy agreement with its tenants however, Southwark Council has undertaken to consult with the Tenant and Homeowner Forum before seeking to change rent and other charges. The report indicates that representative groups have been consulted in order to comply with this term.
41. The council is required, by Section 103 of the Housing Act 1985 in relation to its secure tenancies; Section 111A of the Housing Act 1985 in respect of its introductory tenancies and the council's agreement with its tenants, to notify tenants of variations of rent and other charges, by service of a notice of variation, at least 28 days before the variation takes effect.

### Equalities Impact

42. In making a decision the cabinet must have due regard to the council's equalities duties set out in the Equalities Act 2010 and specifically the need to:
  - Eliminate discrimination, harassment, victimisation or other prohibited conduct.
  - Advance quality 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.
43. The report includes a community impact statement which sets out consideration given to the equality duties in the Equality Act.

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

44. The financial implications arising from the various movements in expenditure/income on the HRA are covered within this report.

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
HRA Indicative Budget and Rent-Setting 2021-22  <b>Link: (please copy and paste into browser):</b> <a href="http://modern.gov.southwark.gov.uk/documents/s92360/Report%20Housing%20Revenue%20Account%202021-22.pdf">http://modern.gov.southwark.gov.uk/documents/s92360/Report%20Housing%20Revenue%20Account%202021-22.pdf</a>	160 Tooley Street London SE1 2QH	Paula Thornton Constitutional Team

## APPENDICES

No.	Title
Appendix A	Summary of HRA Budget Movements 2021-22
Appendix B	HRA Inflation, Budget Pressures and Commitments 2021-22
Appendix C	HRA Income Generation 2021-22
Appendix D	HRA Efficiencies and Improved Use of Resources 2021-22
Appendix E	Objective Analysis of HRA Expenditure 2021-22 by Division
Appendix F	Results of consultation

## AUDIT TRAIL

<b>Cabinet Members</b>	Councillor Rebecca Lury, Finance and Resources and Councillor Leo Pollak, Housing	
<b>Lead Officers</b>	Duncan Whitfield, Strategic Director of Finance and Governance Michael Scorer, Strategic Director of Housing and Modernisation	
<b>Report Author</b>	Ian Young, Acting Director of Finance and Departmental Finance Manager, Housing and Modernisation	
<b>Version</b>	Final	
<b>Dated</b>	8 January 2021	
<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 Governance	Yes	Yes
Strategic Director of Finance and Governance	N/a	N/a
<b>Date final report sent to Constitutional Team</b>		8 January 2021

## APPENDIX A – SUMMARY OF HRA BUDGET MOVEMENTS 2021-22

	<b>HRA Budget movement</b>
	<b>£000</b>
Inflation	2,020
Service commitments	7,705
<b>Inflation, budget pressures and commitments</b>	<b>9,725</b>
Increase in rental income	(2,721)
Tenant service charges	(340)
Sheltered housing service charges	(76)
Fees, charges and third party income	(180)
Garage and non-residential charges	-
Homeowner service charges	(1,500)
<b>Income generation</b>	<b>(4,817)</b>
Savings impacting on service	(4,908)
<b>Efficiency savings and improved use of resources</b>	<b>(4,908)</b>
<b>HRA budget gap</b>	<b>0</b>

## APPENDIX B – HRA INFLATION, BUDGET PRESSURES AND COMMITMENTS 2021-22

Department	Division	Reference	Cabinet Member	Description	2021-22	Equalities Analysis Information
					£000	
Housing and Modernisation	Asset Management - SBS	101	Cllr Leo Pollak	SBS - revise base budget to reflect anticipated operational trading position	2,500	Maintain/enhance service provision
Housing and Modernisation	Asset Management - SBS	102	Cllr Leo Pollak	SBS - impact of new Terms and Conditions	600	Maintain/enhance service provision
Housing and Modernisation	Asset Management - Repairs and Maintenance	103	Cllr Leo Pollak	Cost pressures and volume/activity changes (net)	1,750	Maintain/enhance service provision
Housing and Modernisation	Resident Services - Estate Management	104	Cllr Leo Pollak	Estate utility costs (electricity)	350	Cost is recovered via relevant tenant service charge
Housing and Modernisation	Resident Services - Estate Management	105	Cllr Leo Pollak	Environment and Leisure recharges – grounds maintenance	70	Cost is recovered via relevant tenant service charge
Housing and Modernisation	Resident Services - Estate Management	106	Cllr Leo Pollak	Environment and Leisure recharges – pest control service for housing stock	140	Maintain/enhance service provision
Housing and Modernisation	Resident Services - Estate Management	107	Cllr Leo Pollak	Environment and Leisure recharges – estate cleaning	240	Cost is recovered via relevant tenant service charge
Housing and Modernisation	Resident Services - Estate Management	108	Cllr Leo Pollak	Environment and Leisure recharges - tree maintenance on estates	250	Cost is recovered via relevant tenant service charge
Housing and Modernisation	Resident Services - Estate Voids	109	Cllr Helen Dennis	Temporary Accommodation voids - refurbishment and repairs	1,350	Maintain/enhance service provision
Housing and Modernisation	All Services	110	Cllr Leo Pollak	General inflation provision	2,020	Maintain/enhance service provision
Housing and Modernisation	Exchequer Services - Homeowners	111	Cllr Leo Pollak	Homeowners Building Insurance	427	Cost is recovered via homeowner service charge
Housing and Modernisation	Customer Experience – Housing Solutions	112	Cllr Helen Dennis	Additional Housing Solutions staff to support increased demand (5.5 FTE included in GF)	28	Maintain/enhance service provision
<b>Total</b>					<b>9,725</b>	

## APPENDIX C – HRA INCOME GENERATION 2021-22

Department	Division	Reference	Cabinet Member	Description	2021-22	Equalities Analysis Information
					£000	
Housing and Modernisation	Central Services - Rents	201	Cllr Leo Pollak	2021-22 tenant rent increase @ September CPI (0.5% +1%) including stock/void movements and loss of shared hostel accommodation arising from Covid-19	(2,721)	No differential impact on any community or predicted group, but price increases for services may disproportionately impact people on low incomes
Housing and Modernisation	Central Services - Tenants Service Charges	202	Cllr Leo Pollak	Tenant service charges - annual rebasing to ensure full cost recovery	(340)	No differential impact on any community or predicted group, but price increases for services may disproportionately impact people on low incomes
Housing and Modernisation	Exchequer Services - Garages	203	Cllr Leo Pollak	Garage rents - annual increase in charges and rebasing to reflect activity changes	-	Increase in rents payable by commercial occupiers
Housing and Modernisation	Exchequer Services - Homeowners	204	Cllr Leo Pollak	Homeowner revenue service charges	(1,500)	No differential impact on any community or predicted group, but price increases for services may disproportionately impact people on low incomes
Housing and Modernisation	All Services	205	Cllr Leo Pollak	Annual review of departmental fees and charges	(30)	No differential impact on any community or predicted group, but price increases for services may disproportionately impact people on low incomes
Housing and Modernisation	Customer Experience - SMART	206	Cllr Alice Macdonald	Contribution to costs of operating the Lambeth Careline service	(150)	Charge is for a service provided to a particular group
Housing and Modernisation	Resident Services - Sheltered Housing	207	Cllr Helen Dennis	Realign sheltered housing service charges to ensure full cost recovery	(76)	Charge is for a service provided to a particular group
<b>Total</b>					<b>(4,817)</b>	

## APPENDIX D – HRA EFFICIENCIES AND IMPROVED USE OF RESOURCES 2021-22

Department	Division	Reference	Cabinet Member	Description	2021-22	Equalities Analysis Information
					£000	
Housing and Modernisation	Customer Experience - MSHO	301	Cllr Leo Pollak	Restructuring of Sales & Acquisitions team to improve performance and reflect current levels of activity	(144)	No impact on service users, but any potential reduction in establishment to be undertaken in accordance with the council's reorganisation, redundancy and redeployment procedure
Housing and Modernisation	Customer Experience - MSHO	302	Cllr Leo Pollak	MSHO Board ceased - delete surplus budget	(12)	No impact on service users
Housing and Modernisation	Resident Services - Area Management, Strategy and Business Support	304	Cllr Leo Pollak	Review of Resident Services division including concierge service provision and charging	(285)	No impact on service users, but any potential reduction in establishment to be undertaken in accordance with the council's reorganisation, redundancy and redeployment procedure
Finance and Governance	Exchequer Services - Rents	305	Cllr Leo Pollak	Abbeyfield Road office - redundant office now part of New Homes programme - reduction in operational running costs	(40)	No impact on service users
Housing and Modernisation	Customer Experience - Contact Centre	306	Cllr Alice Macdonald	Restructuring of Out of Hours management function	(249)	No impact on service users, but any potential reduction in establishment to be undertaken in accordance with the council's reorganisation, redundancy and redeployment procedure
Housing and Modernisation	Customer Experience - MSSP	307	Cllr Alice Macdonald	Reduction of three posts within the service point due to service delivery change (1 post included in GF)	(78)	No impact on service users, but any potential reduction in establishment to be undertaken in accordance with the council's reorganisation, redundancy and redeployment procedure
Housing and Modernisation	Central Services - Financing	308	Cllr Leo Pollak	Capitalised revenue works/employee costs	(500)	Central financing adjustment - no impact on service users
Housing and Modernisation	Central Services - Financing	309	Cllr Leo Pollak	Budget reduction - provision for bad debts	(600)	Central financing adjustment - no impact on service users
Housing and Modernisation	Central Services - Financing	310	Cllr Leo Pollak	Budget reduction - debt financing budget	(3,000)	Central financing adjustment - no impact on service users
<b>Total</b>					<b>(4,908)</b>	

## APPENDIX E – OBJECTIVE ANALYSIS OF HRA EXPENDITURE BY DIVISION

	2020-21 Revised budget £m	2021-22 Final budget £m
My Southwark Homeowners	2.0	1.9
Customer Services	5.8	5.6
Customer Resolution	2.0	2.0
Housing Solutions	2.2	2.3
<b>Customer Experience</b>	<b>12.0</b>	<b>11.8</b>
Commercial Properties	1.3	1.3
Major Projects	7.4	7.4
Depreciation	53.0	53.0
Financing Costs	33.5	30.5
Corporate Support Costs and Departmental Overheads	16.4	15.8
Heating Account	8.3	8.3
Contribution to Investment Programme	19.7	19.7
Home Ownership Unit	8.6	9.2
Garage Repairs	1.7	1.7
Income Management	3.5	3.6
<b>Central and Exchequer Functions</b>	<b>153.4</b>	<b>150.5</b>
Tenant Management Organisations (TMOs)	7.3	7.3
Resident Involvement	1.9	1.9
<b>Communities</b>	<b>9.2</b>	<b>9.2</b>
Supported Housing	6.6	8.1
Environmental Services	19.9	20.4
Housing Strategy and Business Support	7.8	8.2
Estate Parking	0.7	0.7
Tenancy Management	5.9	5.9
<b>Resident Services</b>	<b>40.9</b>	<b>43.3</b>
Investment and Regeneration	1.0	1.1
Engineering and Heating	22.0	24.4
Repairs and Maintenance	29.7	33.3
<b>Asset Management</b>	<b>52.7</b>	<b>58.8</b>
New Homes	0.6	0.6
<b>New Homes</b>	<b>0.6</b>	<b>0.6</b>
<b>Total HRA Expenditure</b>	<b>268.8</b>	<b>274.2</b>

## APPENDIX F – RESULTS OF CONSULTATION

### Section 1 – Questions raised during the Webinar (15 December 2020)

<p><i>Please give details on target rents</i></p>	<table border="1"> <thead> <tr> <th style="text-align: center;">Bed size for average rent</th> <th style="text-align: center;">2020-21 Average target rent £ per week</th> <th style="text-align: center;">2021-22 Average target rent £ per week</th> <th style="text-align: center;">Increase £ per week</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">0</td> <td style="text-align: center;">82.36</td> <td style="text-align: center;">83.59</td> <td style="text-align: center;">1.23</td> </tr> <tr> <td style="text-align: center;">1</td> <td style="text-align: center;">96.11</td> <td style="text-align: center;">97.55</td> <td style="text-align: center;">1.44</td> </tr> <tr> <td style="text-align: center;">2</td> <td style="text-align: center;">108.81</td> <td style="text-align: center;">110.44</td> <td style="text-align: center;">1.63</td> </tr> <tr> <td style="text-align: center;">3</td> <td style="text-align: center;">124.76</td> <td style="text-align: center;">126.63</td> <td style="text-align: center;">1.87</td> </tr> <tr> <td style="text-align: center;">4</td> <td style="text-align: center;">141.15</td> <td style="text-align: center;">143.27</td> <td style="text-align: center;">2.12</td> </tr> <tr> <td style="text-align: center;">5</td> <td style="text-align: center;">163.11</td> <td style="text-align: center;">165.55</td> <td style="text-align: center;">2.44</td> </tr> <tr> <td style="text-align: center;">6+</td> <td style="text-align: center;">174.33</td> <td style="text-align: center;">176.94</td> <td style="text-align: center;">2.61</td> </tr> <tr> <td style="text-align: center;"><b>Total</b></td> <td style="text-align: center;"><b>110.23</b></td> <td style="text-align: center;"><b>111.88</b></td> <td style="text-align: center;"><b>1.65</b></td> </tr> </tbody> </table>	Bed size for average rent	2020-21 Average target rent £ per week	2021-22 Average target rent £ per week	Increase £ per week	0	82.36	83.59	1.23	1	96.11	97.55	1.44	2	108.81	110.44	1.63	3	124.76	126.63	1.87	4	141.15	143.27	2.12	5	163.11	165.55	2.44	6+	174.33	176.94	2.61	<b>Total</b>	<b>110.23</b>	<b>111.88</b>	<b>1.65</b>
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<p><i>What part of the HRA needs income and expenditure to match?</i></p>	<p>The HRA reflects a statutory obligation under section 75 of the Housing and Local Government Act 1989 to account separately for local authority housing provision. It identifies the major elements of housing revenue expenditure – maintenance, administration, and contributions to capital costs – and how these are funded by rents, service charges and other income.</p> <p>Section 76 of the 1989 Act states that budgets must be set for an HRA on an annual basis in January or February before the start of the financial year. A local authority may not budget for an overall deficit on the HRA (i.e. it must be balanced), and all reasonable steps must be taken to avoid a deficit.</p>																																				
<p><i>Are these figures per person per month?</i></p>	<p>Rents and charges quoted in the HRA budget and rent-setting report are normally per property per week. The garage charges quoted are by client per week. Budget figures are for the whole financial year.</p>																																				
<p><i>Is it true that government has cut grants entirely?</i></p>	<p>Central government provides no direct support for local authority HRA's, and has not done so since April 2012. The council is expected to fund all revenue expenditure from within its own resources. However, funding for capital infrastructure projects are made available from time to time, either directly or via the Mayor of London/Greater London Authority for specific purposes such as new house building. This is normally a fixed contribution and still requires the council to fund the greater proportion of the costs.</p>																																				

<i>What is Investment?</i>	The council's investment programme covers all its planned capital expenditure for the foreseeable future, which includes spend on new council stock and the maintenance and enhancement of existing stock. The programme has a variety of funding sources, including capital receipts, section 106 contributions from developers, major works charges from liable homeowners, and depreciation and revenue contributions from the HRA. The council may also undertake additional borrowing on a prudent basis for this purpose.
<i>What is Corporate Support Costs?</i>	In line with national accounting policies, the HRA must make a proportionate contribution towards the costs of the council's administration and management and for the provision of specific support services that are consumed in the course of providing landlord services. Such services would include the cost of office accommodation for HRA staff, HR, IT, legal and finance support.
<i>What is Capital costs?</i>	In the table used in the presentation, " <b>Capital costs</b> " includes both " <b>Depreciation</b> " and " <b>Financing costs</b> ", which are the subjects of separate questions below.
<i>What is Depreciation?</i>	The formal definition of depreciation is " <i>The measure of the value of a fixed asset consumed during an accounting period.</i> " In essence it is the estimated cost to the HRA of maintaining the housing stock in a lettable condition.
<i>What is Financing?</i>	Financing is the revenue cost of servicing the HRA's debt incurred in creating and maintaining the council's dwelling stock and comprises predominantly principal, interest, and premia payments and debt management expenses. The section of the budget report titled " <b>HRA Financing</b> " also addresses this area.
<i>Why has repairs and maintenance gone up so much?</i>	Paragraph 16 of the budget report sets this out. It is reproduced below for convenience:  16. <i>One of the most pressing budget pressures is repairs and maintenance, which already consumes the greatest proportion of operational resources. Control of high value/high volume budgets is important and the successful implementation of the housing repairs improvement plan is critical to improving the performance and financial viability of the housing repairs service going forward. For 2021-22, additional resources of £4.85m are being committed to the repair and maintenance of the housing stock.</i>

<p><i>Why is there a discrepancy regarding repairs and maintenance?</i></p>	<p>The table in slide 13 is a condensed version of Appendix B in the budget report, and in the table “<b>Repairs and maintenance</b>” also contains the figure from the line “<b>Estate cleaning and grounds maintenance</b>” in the report. This is to ensure that the table was able to fit on a single slide.</p>
<p><i>What is the contribution to the Lambeth Careline service?</i></p>	<p>Southwark has entered into a five-year contract to provide Careline services to vulnerable Lambeth residents in addition to their own. The additional income generated is the annual payment for this service by the London Borough of Lambeth and forms a new income stream to the HRA.</p>
<p><i>What is Provision for Bad Debts?</i></p>	<p>The council must make an allowance for the likelihood that a proportion of rents and service charges will be irrecoverable and will need to be written-off, following extensive recovery measures. This provision is assessed annually according to the size and age of arrears owing, the stage of recovery action and the likelihood of eventual recovery.</p>
<p><i>What is the Debt Financing Budget?</i></p>	<p>This has been addressed in the earlier answer regarding financing costs.</p>

How is the £5.4m increase made up?

Appendix B to the budget report sets out the composition of expenditure and income for both 2020-21 and 2021-22. As the budget has to balance, both of these have increased by £5.4m between the years. As the appendix does not show the change between individual items, an expanded version is set out below for reference:

	2020-21 Revised budget £m	2021-22 Indicative budget £m	Change £m
Employees	38.5	38.3	(0.2)
Operational running costs	35.0	35.7	0.7
Estate cleaning and grounds maintenance	17.2	17.7	0.5
Repairs and maintenance	46.3	53.7	7.4
Contribution to investment programme	27.1	27.1	–
Corporate support costs	11.1	11.1	–
Depreciation	53.0	53.0	–
Financing costs	33.6	30.6	(3.0)
Tenant management organisations (TMOs)	7.0	7.0	–
<b>HRA Expenditure</b>	<b>268.8</b>	<b>274.2</b>	<b>5.4</b>
Dwelling rents	(193.4)	(196.7)	(3.3)
Non-dwelling rents	(5.8)	(5.8)	–
Heating and hot water charges	(8.8)	(8.8)	–
Tenant service charges	(15.3)	(15.7)	(0.4)
Homeowners – major works	(11.0)	(11.0)	–
Homeowners – service charges	(19.8)	(21.3)	(1.5)
Interest on balances	(0.7)	(0.7)	–
Commercial property rents	(8.3)	(8.3)	–
Fees, charges and third party income	(2.4)	(2.6)	(0.2)
Recharges	(3.3)	(3.3)	–
<b>HRA Income</b>	<b>(268.8)</b>	<b>(274.2)</b>	<b>(5.4)</b>
<b>HRA Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<p><i>Why are there no reductions in employees?</i></p>	<p>Some of the proposed efficiency savings listed for the HRA in 2021-22 do have employee implications, and this is why the cabinet report includes a specific recommendation covering this issue “<b>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.</b>”</p> <p>In 2021-22 the implications for the staffing establishment of the council are relatively minor, unlike for example a major restructuring of part of the HRA service provision, which has formed part of savings in previous years, and so the report does not need to focus on this particular aspect of the savings proposed.</p>
<p><i>How much will you increase [homeowner] service charges?</i></p>	<p>Variable service charges are not set, they are constructed from the actual costs incurred in providing communal services to the blocks and estates, and under the terms of their lease or transfer agreement homeowners are required to pay a fair and reasonable proportion of those costs. Because the HRA has to balance, each year Homeownership Services is asked what the anticipated figure is for variable service charge income (both revenue and major works). At the stage that the budget is being put together the estimated revenue service charges for the following year have not been constructed, so any budgeted income figure has to be based on the following:</p> <ul style="list-style-type: none"> <li>• Previous year actual income (the last known year is 2019-20).</li> <li>• Additional sales for the current year.</li> <li>• Future part year sales.</li> <li>• Budgeted movement in expenditure (this can be up or down).</li> </ul> <p>In 2018-19 and 2019-20 the budgeted income figure from variable service charges was £19.85m. In both years the actual income was in excess of the budget due to cost increases in a number of areas (more specifically, fuel price volatility and greater repairs and maintenance to communal heating systems). On that basis it was necessary to re-base the budget figure in the HRA to reflect the increased income. In addition under the terms of the insurance contract there will be an increase in buildings insurance premiums in 2021-22, and this has been reflected in the budget on both income and expenditure. There are also some accrued costs from 2019-20 which we are aware will be charged as part of the 2020-21 actual service charges, and these have also been included in the budget figures.</p>

<p><i>Change the building insurance company!</i></p>	<p>The Council was unable to re-tender the insurance contract this year due to the restrictions on procurement in the early part of the year during the first lockdown. It takes several months to procure an insurance contract due to the size of the contract, and there was insufficient time in the remainder of the year. The Council was able to negotiate a reduction to the increase with the current provider and is considering whether it would be efficacious to procure a new contract for 2022, or whether to enter the final extension on the current contract.</p>
<p><i>Can service charges for leaseholders be increased by 7.5% without a summary of relevant costs?</i></p>	<p>In essence there is no 7.5% increase to individual service charges – although the increased buildings insurance premiums will affect all leaseholders. Individual service charges will continue to reflect costs incurred – which will include inflationary increases to service provision, but will also include any reduced expenditure for any reduction in service provision. The budget figure in the HRA is what we believe we will be billing in 2021-22 based on current knowledge – it is not what we will actually be billing as that will ultimately depend on expenditure.</p> <p>Service charges are charged in accordance with the lease or transfer agreement – there is no requirement to consult in general, although statutory consultation is required (and carried out) on qualifying long-term agreements for works, goods and services, where the service charge is £100 per annum or more, and for qualifying works (repairs) where the service charge will be over £250. The basis for any cost increase from any long-term contractor would be written into the contract. Where the council provides a service directly (e.g. care and upkeep, grounds maintenance etc.) cost increases are mainly due to inflationary pay rises to staff.</p> <p>Homeowners receive a summary breakdown of both their estimate and actual service charge with the invoice and notification. Further itemised breakdowns of each service charge heading are available on request when the actual service charges are issued. The surveys, feasibilities and priced documents for major works schemes are available on request when the statutory consultation is carried out. The budgeted increase to the revenue service charge does not include any major works schemes – the anticipated income from these is reflected in the major works service charge budget figure. The budgeted figure for variable service charge income for major works is based on the budget estimates and timescales in the capital programme. CPI is irrelevant as the variable service charge is constructed from expenditure, and not set like the rents or tenants service charges.</p>

<p><i>Can you promise that [homeowner] heating charges will not increase?</i></p>	<p>In relation to the weekly heating charge to secure tenants there is no proposed increase. At this stage it is unknown if there will be an increase to the variable service charge of any individual homeowner on a communal heating system, as this will depend on the cost of fuel used, and the repairs required to the system throughout the course of the 2021-22 financial year. These costs will not be known in total until April 2022, and will then be reflected in the actual service charges for the year which are due to be issued in September 2022.</p>
<p><i>Are you saying that you DO overcharge [homeowners] to make a profit from us?</i></p>	<p>Homeowners only pay their fair and reasonable proportion of the costs incurred. They are not charged for non-communal costs, nor for the proportion of the communal costs that relate to the percentage of secure tenants. Where homeowners aren't, or cannot be, charged for a communal cost for any reason then the cost is borne by the secure tenants through the weekly rent paid.</p>
<p><i>About 7 years ago, you sent us a letter with the proposal to combine the service charge and major works charge in one sum...is this proposal dormant?</i></p>	<p>An initiative to offer leaseholders the opportunity to surrender their current right to buy lease and enter into a new lease containing fixed service charges was consulted on several years ago, following a scrutiny of homeowner charging. There was very little interest in the scheme, and the annual fixed costs were very high (they included an annual amount for major works over a thirty-year period, which varied depending on the size and condition of the block). The scheme was not developed, but the initiative still sits with the Sales and Acquisitions team in the MySouthwark Homeowners Service where it can be revisited if necessary.</p>

## Section 2 – Responses via the Consultation Hub (15 – 31 December 2020)

The consultation hub received 37 responses over the weeks between the Webinar and New Year’s Eve. The responses consisted of agreement (or otherwise) with each of the recommendations of the report, plus space to provide further commentary if so desired. Equalities information was also picked up by the Hub where provided.

In terms of the five main recommendations on rent and charging levels (N.B. questions 1 – 4 on the Consultation Hub relate to the personal details of individual responders and are not included):

<b>Rent increase (Q5)</b>				
	Tenant	Leaseholder/ Freeholder	Undisclosed	<b>TOTAL</b>
Yes	7	7	0	<b>14</b>
No	12	2	0	<b>14</b>
Unsure	2	6	0	<b>8</b>
No reply	0	0	1	<b>1</b>
<b>TOTAL</b>	<b>21</b>	<b>15</b>	<b>1</b>	<b>37</b>

Tenant	Leaseholder/ Freeholder	Undisclosed	<b>TOTAL</b>
33.3%	46.7%	0.0%	<b>37.8%</b>
57.1%	13.3%	0.0%	<b>37.8%</b>
9.6%	40.0%	0.0%	<b>21.7%</b>
0.0%	0.0%	100.0%	<b>2.7%</b>
<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Officer comments:

Residents were equally divided with regard to the proposed rent increase, with tenants being fairly strongly against. However, without the rent increase, HRA expenditure on service provision would have to be further reduced in order to maintain a balanced budget, as required by law. As the budget report outlines, rents are the primary source of income to fund landlord services and this needs to be seen in the context of the rent reductions over 2016 – 2020 which had a profound effect on the resources available to the HRA.

<b>Tenant service charge increases (Q6)</b>				
	Tenant	Leaseholder/ Freeholder	Undisclosed	<b>TOTAL</b>
Yes	1	5	0	<b>6</b>
No	12	4	0	<b>16</b>
Unsure	7	6	0	<b>13</b>
No reply	1	0	1	<b>2</b>
<b>TOTAL</b>	<b>21</b>	<b>15</b>	<b>1</b>	<b>37</b>

	Tenant	Leaseholder/ Freeholder	Undisclosed	<b>TOTAL</b>
	4.8%	33.3%	0.0%	<b>16.2%</b>
	57.1%	26.7%	0.0%	<b>43.2%</b>
	33.3%	40.0%	0.0%	<b>35.2%</b>
	4.8%	0.0%	100.0%	<b>5.4%</b>
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Officer comments:

Tenant responses were very negative to the proposal. However, in line with government guidance, charges for these services were separated from the base rent in 2003-04, and are intended to recover the full costs of provision as these services are subject to particular contractual inflationary pressures. Homeowners and freeholders were more mixed in views, perhaps reflecting the fact their equivalent charge is actualised each year – giving a more direct link between block consumption and charge.

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<b>Sheltered Housing service charge phased increase (Q7)</b>				
	Tenant	Leaseholder/ Freeholder	Undisclosed	<b>TOTAL</b>
Yes	4	6	0	<b>10</b>
No	9	3	0	<b>12</b>
Unsure	8	6	0	<b>14</b>
No reply	0	0	1	<b>1</b>
<b>TOTAL</b>	<b>21</b>	<b>15</b>	<b>1</b>	<b>37</b>

	Tenant	Leaseholder/ Freeholder	Undisclosed	<b>TOTAL</b>
	19.1%	40.0%	0.0%	<b>27.0%</b>
	42.9%	20.0%	0.0%	<b>32.4%</b>
	38.1%	40.0%	0.0%	<b>37.9%</b>
	0.0%	0.0%	100.0%	<b>2.7%</b>
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.1%</b>

Officer comments:

As noted in the report itself, this charge is levied on a small number of clients, and like the tenant service charge is intended to cover the full cost of providing this enhanced housing management service. However, in recognition of the impact that a full increase would have, it is proposed to phase this in over an extended period.

<b>Garage increases (Q8)</b>				
	Tenant	Leaseholder/ Freeholder	Undisclosed	<b>TOTAL</b>
Yes	10	10	0	<b>20</b>
No	9	3	0	<b>12</b>
Unsure	2	2	0	<b>4</b>
No reply	0	0	1	<b>1</b>
<b>TOTAL</b>	<b>21</b>	<b>15</b>	<b>1</b>	<b>37</b>

Tenant	Leaseholder/ Freeholder	Undisclosed	<b>TOTAL</b>
47.6%	66.7%	0.0%	<b>54.1%</b>
42.9%	20.0%	0.0%	<b>32.4%</b>
9.5%	13.3%	0.0%	<b>10.8%</b>
0.0%	0.0%	100.0%	<b>2.7%</b>
<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Officer comments:

There was majority support for the garages increase from both tenants and homeowners, particularly (in the comments section) for the differential rise in the private sector charge.

<b>District Heating charges to remain unchanged (Q9)</b>				
	Tenant	Leaseholder/ Freeholder	Undisclosed	<b>TOTAL</b>
Yes	19	7	0	<b>26</b>
No	2	4	0	<b>6</b>
Unsure	0	4	0	<b>4</b>
No reply	0	0	1	<b>1</b>
<b>TOTAL</b>	<b>21</b>	<b>15</b>	<b>1</b>	<b>37</b>

Tenant	Leaseholder/ Freeholder	Undisclosed	<b>TOTAL</b>
90.5%	46.6%	0.0%	<b>70.3%</b>
9.5%	26.7%	0.0%	<b>16.2%</b>
0.0%	26.7%	0.0%	<b>10.8%</b>
0.0%	0.0%	100.0%	<b>2.7%</b>
<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Officer comments:

The strong support for maintaining heating and hot water charges at current levels amongst tenants is perhaps to be expected.

### Section 3 – Consultation Comments

More discursive comments were also invited on each of the main rent and charging recommendations, and also on the recommendation regarding the HRA budget as a whole. General observations have been independently summarised by the Resident Participation team in the first table; whilst comments by question are grouped in the second table.

Observations/Themes	Examples in feedback
Level of feedback similar to previous resident consultation structure, in terms of numbers of individual comments (37).	n/a
Many of the comments foregrounded by Covid-19 pandemic and a sense that this is an extraordinary year requiring extraordinary measures.	<p><i>“Considering the year we have had, where things have been tough for many of us, where we have lost jobs and had increased bills, the council should freeze the rent for 2 years so we have a chance to recover.” (tenant on rents)</i></p> <p><i>“With the dreadful covid year we’ve had, I feel best to delay this [rent increase] by one year.” (tenant on rents)</i></p> <p><i>“At the moment its difficult to pay full pay due to COVID-19 Pandemic.” (tenant on rents)</i></p>
Broadly, a recognition that the council is in a very difficult position, but a greater level of concern regarding the ability of tenants to pay, especially those now unemployed. Strong sense that the council is, and should be, a source of help.	<p><i>“I agree with all the increases, but do all you can to avoid this for the next 12 months as many have faced unemployment/hardship due to covid.” (freeholder on HRA budget)</i></p> <p><i>“You should do something to help the poor man out, not put more pain on them.” (tenant on HRA budget)</i></p> <p><i>“This may be [delayed] for another year for tenants to recover from the impacts of the pandemic.” (tenant on sheltered)</i></p> <p><i>“I realise the problem isn’t necessarily council led, due to having less funds available, but the very real costs to tenants and residents...has the potential to force people into poverty.” (tenant on HRA budget)</i></p>

Comments on specific recommendations:

Rent (20 comments)	Comments from tenants were mostly pandemic-related (see above table); whilst homeowners felt that rents should rise by the maximum allowed.
Tenant service charges (16 comments)	Tenant comments were principally about the standard of service provided (notwithstanding restrictions imposed by the pandemic). Homeowner comments were almost all anti-their (variable) service charges.
Sheltered housing service charges (9 comments)	Most comments were linked to the effects of the pandemic and clients' ability to pay, in a similar fashion to the rents proposal above.
Garages (9 comments)	As with previous years strong support was expressed for the increase in the private sector garage charge.
Heating and hot water (15 comments)	Almost all the comments related to shortcomings in service provision and reliability. A leaseholder pointed to the fact that a flat (budget-related) fee contained no encouragement to reduce energy use.
HRA budget (12 comments)	Comments tended not to relate to specific items within the proposed HRA budget but covered more generic issues such as the level of central government support, the effect of the pandemic (see table above) and the council's regeneration policies. A tenant complained about the monies spent on the LTN (which does not form part of the HRA).

## Section 4 – Equalities Analysis

The final questions on the Consultation Hub related to determining the equalities profile of the 37 responders, and outcomes are listed below.

Occupancy Type	Number
Tenants	21
Homeowners (Leaseholders)	12
Homeowners (Freeholders)	3
Not specified	1
Total	<u>37</u>

Ethnicity	Number
White British	5
White Irish	1
White English	3
White Other	3
European	2
Black British	8
Black Caribbean	1
Nigerian	1
Other African	1
Indian	1
Other Asian	1
Mixed White/Black Caribbean	1
Other Ethnic (not specified)	2
Not Answered	7
Total	<u>37</u>

Disability	Number
Yes	3
No	23
Prefer not to say	3
Not Answered	8
Total	<u>37</u>

Age	Number
25 - 34	1
35 - 44	8
45 - 54	10
55 - 64	6
65 - 74	3
Not Answered	9
Total	<u>37</u>

Birth Gender	Number
Male	13
Female	16
Prefer not to say	1
Not Answered	7
Total	<u>37</u>

Gender Change	Number
Yes	1
No	26
Prefer not to say	1
Not Answered	9
Total	<u>37</u>

Religion/ Belief	Number
Christian	16
Hindu	1
Muslim	1
No religion	7
Other (not specified)	4
Not Answered	8
Total	<u>37</u>

Sexual Orientation	Number
Heterosexual/Straight	22
Gay Man	3
Prefer not to say	2
Not Answered	10
Total	<u>37</u>

<b>Item No.</b> 13.	<b>Classification:</b> Open	<b>Date:</b> 19 January 2021	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Community Investment Plans – Allocation of local CIL Southwark - Phase 2	
<b>Ward(s) or groups affected:</b>		Camberwell Green, Champion Hill, Dulwich Hill, Dulwich Village, Faraday, Goose Green Newington, Old Kent Road, Peckham, Rye Lane, South Bermondsey, and St Giles.	
<b>Cabinet Member:</b>		Councillor Alice Macdonald, Communities & Equalities	

**FOREWORD - COUNCILLOR ALICE MACDONALD, CABINET MEMBER FOR COMMUNITIES & EQUALITIES**

In Southwark we are committed to ensure that regeneration works for all and that our neighbourhoods thrive. The Community Infrastructure Levy, a levy raised on development schemes, is just one of the ways in which developments can benefit the local community and one of the ways in which developers can give-back to the community - especially to those who've been impacted by the building works.

Southwark has raised roughly £23m in CIL since 2015. 25 per cent of this - almost £6m - has been designated as local.

Following the Cabinet report approved on 8 December 2020, I am pleased to bring forward this second set of community investment plans for approval which have been shaped by our communities. In March we launched an online consultation which generated over 1000 project suggestions from residents. These were then considered by ward councillors. Projects selected by ward councillors are those which are considered to have the most strategic benefit for the whole ward, or alternatively which meet a specific ward issue which councillors for that ward identified as a priority. The proposals presented in these plans range from improvements to parks, the public realm and community buildings and I am sure will bring significant benefits to our residents.

Following the approval of these plans, a review of local CIL will be carried out to ensure it continues to meet the needs of residents.

I therefore request that cabinet approve the Community Investment Plans for Camberwell Green, Champion Hill, Dulwich Hill, Dulwich Village, Faraday,

Goose Green Newington, Old Kent Road, Peckham, Rye Lane, South Bermondsey, and St Giles.

## **RECOMMENDATIONS**

1. That cabinet approve the Community Investment Plans for Camberwell Green, Champion Hill, Dulwich Hill, Dulwich Village, Faraday, Goose Green Newington, Old Kent Road, Peckham, Rye Lane, South Bermondsey, and St Giles.
2. That Cabinet notes that a further report will be submitted to Cabinet within 6 months to reflect on lessons learned from the process to develop Community Investment Plans with recommendations for the future.

## **BACKGROUND INFORMATION**

### **Community Infrastructure Levy**

3. This report follows a Cabinet report approved on 8 December 2020 which agreed Community Investment Plans for the first phase of wards which included Borough and Bankside, Chaucer, Dulwich Wood, London Bridge and West Bermondsey, North Bermondsey, North Walworth, Nunhead and Queen's Road, Peckham, Peckham Rye, Rotherhithe, St George's, and Surrey Quays. The wards have been split across two reports due to the size of the operation to assess projects across the Borough, and the capacity of officers to prepare the investment plans.
4. Community Infrastructure Levy (CIL) is the sum of funding collected from major development sites across the Borough to pay for the implementation of new infrastructure to support the growth of communities. CIL is split into strategic CIL (75% of all payments) which is spent on Borough-wide infrastructure projects such as the construction of new tube stations, and local or neighbourhood CIL (25% of all payments). Southwark has raised roughly £23m in CIL since 2015. 25 per cent of this - almost £6m - has been designated as local CIL.
5. CIL is used to mitigate the impact of new development and an uplift in population on a local area, and is a key tool to manage growth. CIL can be used to fund a wide range of infrastructure, including transport, flood defences, schools, hospitals, and other health and social care facilities as set out in section 216(2) of the Planning Act 2008, and regulation 59, as amended by the 2012 and 2013 CIL Regulations). This definition allows the levy to be used to fund a very broad range of facilities such as play areas, parks and green spaces, cultural and sports facilities, academies and free schools, district heating schemes and police stations and other community safety facilities. This flexibility gives councils the opportunity to choose what infrastructure is needed to deliver their local plan. It should be noted that charging authorities may not use the levy to fund affordable

housing.

6. Local authorities must spend the levy on infrastructure needed to support the development of their area. The levy is intended to focus on the provision of new infrastructure and should not be used to remedy pre-existing deficiencies in infrastructure provision unless those deficiencies will be made more severe by new development.

### **Southwark Conversation**

7. In 2017 the council undertook the biggest community engagement exercise of recent times, the Southwark Conversation, the outcomes of which are shaping plans for place-making and improving overall well-being. This has been followed by the *Southwark Approach to Community Engagement* which set out the council's vision and principles for engagement and was adopted by Cabinet in April 2019, with further developments to be made over the summer. As the borough grows and changes, the council's aim is to make sure that our communities have the opportunity to take part in the decisions which affect their lives and communities

### **Social Regeneration Charters**

8. On 22 January 2019 the Council's Cabinet agreed a framework called "Regeneration that works for all" which set out a vision for delivering a series of social regeneration charters across the Borough linked to a series of indicators which would track change over time.
9. In addition to a social regeneration charter for each area of the Borough, a new approach to creating a Development Consultation Charter for each major development was approved by Cabinet in April 2019. This Charter forms part of the Statement of Community Involvement which sets out how we consult on planning and is an agreed way of working with developers and the community. The Charter requires the submission of an Engagement Plan, describing what the developer will do to involve those affected by their proposals as part of the validation stage of submitting their planning application at pre-application stage. The summary of the activity and the outcomes of local engagement will be a validation requirement for any planning application, and is expected to set out how the community has shaped the proposed development and where it was not possible to provide evidence, a justification for this reasoning.

### **Cabinet and Scrutiny Decisions on Local CIL**

10. The foundations for this report are based on two previous Cabinet reports, and a set of scrutiny committee recommendations. A report was taken to cabinet on the 11 December 2018 putting forward a proposal to allocate the funding collected to the end of financial year 2017-18 and approve the

allocation of the released funding to the priority projects put forward by the relevant community council meeting (now replaced by ward meetings). The report also included an agreement on pre allocations of funds to specific projects, some of which have now been successfully delivered as such as the improvements to Surrey Quays Farm.

11. The Overview and Scrutiny Committee called in the December 2018 Cabinet report on 21 January 2019 and recommended that lists of CIL projects are checked with community councils to identify potential discrepancies, that the requirements for projects eligible for neighbourhood CIL funding to be on the council plan or included in the capital programme be abolished. The committee determined that CIL is intended to mitigate the impact of development at a very local level by addressing locally identified needs and that the neighbourhood portion of CIL should be spent in the ward or locality in which it has been collected, to ensure that the effects of development are mitigated where development has taken place.
  
12. A second follow up Cabinet report on 18 June 2019 set out that local CIL would be allocated by developing local Community Infrastructure Plans (CIPs) to ensure that local CIL supports growth and tackles inequalities. CIPs will contain four strategic priorities, three of these will come from the social regeneration charters and each ward area will develop an additional theme to guide key areas of need within the ward(s) The plan would be refreshed every three years and applications will be submitted and matched against the following suggested criteria:
  - Meets one of the proposed themes of the community investment plan
  - Is a one-off scheme that does not require additional revenue funding from the council in its delivery or subsequent operation.
  - Relates to a council plan commitment
  - Identifies how any revenue funding will be generated– offering value for money
  - They should address the impact of new development
  - Should explain who will benefit the local community and how it tackles inequalities.
  
13. A clear policy set out in the June 2019 report was to impose a cap on the amount of CIL that each ward could spend. The cap would be applied where any ward maintains an average of over £250,000 per annum in any three year rolling period (maximum £750,000 for three years). When the local CIL exceeds the cap, the proposed allocation of “the excess” would be discussed between wards within the Opportunity Area, Area Action Plan Area or Neighbourhood Plan Area that it was generated. Where no such plan exists the discussion would be between adjacent wards. Any proposed reallocation should be presented to cabinet for approval. In this report the only ward where expenditure over £750,000 is proposed is

Borough and Bankside, and clear partnership working is shown with St George's Ward to agree strategic projects which could benefit both wards.

### **Implementation of CIL**

14. In order to maximise community involvement in the process of creating a CIP for each ward, the Council launched a consultation exercise across each of the 23 wards between 10th March and 30th April to collect as many ideas as possible for consideration by ward councillors. A tool called "Commonplace" was launched on the 10th March with a web page for each ward detailing their social regeneration priorities and including an estimate of the CIL available at that point in time., The Commonplace digital engagement platform takes the form of an online map onto which members of the community can insert a pin to describe the local infrastructure project they would like to see delivered, along with a short description, approximate budget, indication of community support, and reference to the themes which the project would benefit. The council issued guidance on the Commonplace website which set out clear eligibility guidance (to mirror the criteria from the June 2019 Cabinet report above) and noted that project proposals would need to meet the assessment criteria set out below.

- Meet one of the four social regeneration themes for the ward (these can be found on the page for each ward)
- Relate to a commitment in Southwark's Council Plan
- Just need a one-off sum of money to get started (and not require additional funding from the council in future)
- Identify how any revenue funding will be generated and offer value for money
- Mitigate the impact of new development
- Benefit the local community and tackles inequalities
- Have a realistic chance of being completed and paid for by the end of 2023.

### **Response to community engagement**

15. As the Covid-19 crisis arose during the consultation process, the deadline was extended to 31st May, with clear communication across all Council channels. The commonplace exercise successfully obtained more than 1000 project ideas across the Borough. Since the close of consultation, a team of local CIL officers have been evaluating proposals against the criteria set out above through consultation with the relevant council departments affected by each of the proposals before organizing workshops with local ward councillors to agree a shortlist of priority projects to form the basis of each ward CIP.

16. The council received a huge range in the scale of projects from micro-scale street interventions to proposals which would have a ward level

impact. As set out in the selection criteria on the Commonplace website and summarised above, the emphasis is on selecting strategic projects which could potentially benefit residents and businesses *from across the ward*, providing or improving a community facility, cultural or heritage amenity, or improving a key route which connects to transport or community amenities. The council has a successful small scale neighbourhood funding programme called Cleaner, Greener, Safer, and the aim is not replicate the aims of this existing funding stream. The clear example of a precedent given during the marketing of the consultation was the Surrey Docks Farm project, where significant CIL funding was pooled to deliver a project which has a ward level impact, and in this case a Southwark and London-wide affect. Projects selected by ward councillors are those which are considered to have the most strategic benefit for the whole ward, or alternatively which meet a specific ward issue which councilors for that ward identified as their fourth social regeneration criteria.

## **KEY ISSUES FOR CONSIDERATION**

### **Community Infrastructure Plans**

17. Appendix 3 sets out the CIP for each ward with tables setting out the projects which have been prioritized for funding using the available local CIL now. The CIP's also include projects which have been shortlisted should additional CIL become available in the future. A review of the approach to the allocation of CIL is recommended in this report and this will have regard to the non-funded projects in CIP's. Where appropriate projects previously agreed by cabinet have been incorporated into the CIPs.
18. For those projects which have been identified for delivery now using the funds available, local CIL officers will contact the project supporters and community groups to develop feasibility and identify the most practical route to delivery. In some cases specific council departments will be engaged to deliver projects. In other cases where a registered charity exists with adequate capacity to deliver a project, such as improvements to community building, it might be more appropriate to enter into a funding agreement with the relevant community organisation to enable them to deliver the project.
19. Inevitably given the scale of the response, many projects have not been successful in forming part of the CIP at this stage. Given the scale of the consultation response (1000+ ideas), the limited information received for each project, and the capacity of CIL officers, it has not been possible to provide feedback for every one of the 1000+ projects. By way of feedback, the most common reasons that projects could not be taken forward at this stage include the following:

- Projects which do not have a ward level impact
  - Projects with funding identified already from other sources – many projects form part of development proposals where a developer has committed to deliver in future.
  - Insufficient location information – some ideas were very general without a clear indication of where the intervention could be made
  - Revenue dependent – CIL is a one-off sum of money for infrastructure and many ideas require additional funding in future without clear source
  - On land or buildings which are not publicly owned with no clear strategy for being able obtain permission for use
  - Projects which have not “been done previously” by the council and or it’s partners
  - Projects which conflict with another council policy or CIL regulations.
20. The March 2020 launch is the first time that the council has initiated a community engagement process to allocate Local CIL. There are inevitably lessons to be learnt from this exercise. It is therefore recommended that officers bring a report to Cabinet within 6 months to reflect on lessons learned from the process to develop Community Investment Plans with recommendations for the future.

### **Resource implications**

21. The June 2019 Cabinet report set out the information that existed at that time on the CIL available at a ward level. This information was based on the pre 2018 Ward boundaries. A further update on the funding at ward level was included in the public launch of the Commonplace website in March 2020 and this is set out in Appendix 1. This information was based on the post 2018 ward boundaries.
22. Individual Ward CIPs include projects which have been identified as priorities for funding using available CIL (as of march 2020) but also schemes which could be delivered in the future when further CIL is received by the council. It should be noted that the sums allocated now are estimated based on initial evaluation. These indicative budgets have been informed by the council’s experience of delivering similar projects. In some cases further feasibility work will be required to define project scope, identify costs/risks and fix budgets.
23. There will be various potential routes to delivering projects depending on the nature of the proposals. Most projects involve council assets (parks, highways, public realm, community buildings) and relevant council departments will be responsible for working with the community to develop proposals through concept to detailed design and implementation stages.
24. The sums involved in individual projects mean that the award of contracts

can be undertaken within the scheme of officer delegation. Project implementation will continue to be carried out in accordance with council standing orders. Where contract sums require it Gateway procurement procedures will be followed. These processes will ensure that CIL expenditure can be financially monitored, that there continues to be probity in the use of public funds and that value for money can be demonstrated.

25. Where a formally constituted local partner organisation exists which is capable of delivering the scale and type of the project proposal identified, then the council would contract with them through a legal agreement which would establish the terms for the use of CIL for that project. This approach was used to successfully deliver the Surrey Docks farm project where match funding was also levered into help fund the scheme.
26. Project priorities identified in CIP's are capital projects. On-going maintenance costs arising from these projects are expected to be contained within existing budgets.
27. The delivery of schemes will be undertaken by a number of council departments (for example teams within Regeneration, Environment & Leisure, and Housing) and this may have revenue implications for those service areas at a time when they are experiencing revenue constraints. It will therefore be necessary to manage competing project demands and agree which teams are best placed to undertake projects within established revenue budgets. This will be managed through Gateway procedures and inter departmental working arrangements.

### **Community impact statement/Equalities considerations**

28. The Equality Act 2010 imposes a general equality duty on public authorities (the Public Sector Equality Duty – PSED) in the exercise of their functions, to have due regard to the need to :
  - Eliminate discrimination, harassment and victimisation and any other conduct that is prohibited by or under the Act;
  - Advance equality of opportunity between people who share a relevant protected characteristic and people who do not share it;
  - Foster good relations between people who share a relevant protected characteristic and people who do not share it.
29. For the purposes of the PSED the following are “protected characteristic” considerations:
  - Age
  - Marriage and civil partnership
  - Disability
  - Gender reassignment

- Pregnancy and maternity
  - Race
  - Religion or belief
  - Sex
  - Sexual orientation.
30. The purpose of this report is to set out how the communities in wards across the Borough will be able have positive experiences of living through the regeneration and the benefits that they will receive due to the developments that are going to take place. As part of the Commonplace consultation exercise, information was received as to the ethnicity, gender and age group of each applicant. An assessment was undertaken to ensure that those projects identified for funding now or in the future are able to benefit all members of the community and there is no potential for discrimination against any one group. The PSED duty and implications for groups with protected characteristics will be considered further as each of the projects are developed in more detail at review points.
31. As noted elsewhere in this report the project priorities in North Walworth will require further consultation with affected tenants/leaseholders before they can be implemented.

### **Financial implications**

32. The projects from the Community Investment Plan listed in Appendix 2 are expected to be funded from the Community Infrastructure Levy fund held by the council.
33. Detailed work and reconciliation will be carried on an on-going basis to ensure that there are sufficient CIL finance available to fund the projects against the latest expenditure projections.
34. Projects emerging from these Community Investment Plans will be subject to further reports confirming funding before commitments for project expenditure are approved.
35. Staffing and any other costs connected with this report will be contained within existing revenue budgets.

### **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

#### **Director of Law and Governance**

36. The report seeks approval for the Community Investment Plans for a number of Wards within the Borough. The report outlines at paragraph 4 the intention of the Community Infrastructure Levy ("CIL") and that it is used to mitigate the impact of new developments and needs to be spent on the infrastructure needed to support such developments.

37. The Government has issued guidance as to the types of expenditure which would be appropriate although this is perhaps less specific than might be hoped and has yet to be tested in the courts. Regulation 59(1), Community Infrastructure Regulations 2010 provides that: “A charging authority must apply CIL to funding the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of its area.”

The relevant definition of infrastructure is at s.216(2) of the Planning Act 2008: “infrastructure” includes:

- (a) roads and other transport facilities
- (b) flood defences
- (c) schools and other educational facilities
- (d) medical facilities
- (e) sporting and recreational facilities and
- (f) open spaces.

38. This is a broad definition as it is an inclusive list, and not exclusive. Affordable housing used to be included in this list but has since been removed as it was felt preferable to secure it through s.106 obligations, and therefore linking it to particular developments and encouraging mixed housing. The Planning Practice Guidance allows the levy to be used to fund a very broad range of facilities such as play areas, open spaces, parks and green spaces, cultural and sports facilities, healthcare facilities, academies and free schools, district heating schemes and police stations and other community safety facilities. Local authorities must spend the levy on infrastructure needed to support the development of their area, and they will decide what infrastructure is needed. The levy can be used to increase the capacity of existing infrastructure or to repair failing existing infrastructure, if that is necessary to support development
39. The guidance therefore emphasises the broad definition of infrastructure, specifically mentions safety facilities and stresses the discretion afforded to local authorities. Therefore, it is considered that the Council may lawfully exercise its discretion to decide that expenditure on the projects outlined in Appendix 3 is an appropriate use of CIL.
40. As with every decision that the Council takes, it is imperative that the provisions of the Equality Act 2010 are considered. Paragraph 27 of the report states that the projects identified in Appendix 3 are for the benefit of all members of the community and it was considered that there was no potential for discrimination against any one group. It is noted that the Public Sector Equality Duty will continue to be considered as the project is developed.

### Strategic Director of Finance and Governance (FC20/023)

41. The report is requesting cabinet to approve the Community Investment Plans for the wards mentioned in paragraph 1 and to note that a further report will be submitted to Cabinet within 6 months to reflect on lessons learned from the process to develop Community Investment Plans with recommendations for the future. Full details and background are contained within the main body of the report.
42. The strategic director of finance and governance notes comments in the financial implications.
43. Staffing and any other costs connected with this report to be contained within existing departmental revenue budgets.

### BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Cabinet reports 8 December 2020, 11 December 2018 and 18 June 2019	Council website <b>Links below: (please copy and paste links into browser)</b>	Dan Taylor 020 7525 5450
The Overview and Scrutiny Committee report 21 January 2019	<a href="http://moderngov.southwark.gov.uk/documents/s92367/Report%20and%20appendices%20Community%20Infrastructure%20Plans.pdf">http://moderngov.southwark.gov.uk/documents/s92367/Report%20and%20appendices%20Community%20Infrastructure%20Plans.pdf</a>  <a href="http://moderngov.southwarksites.com/documents/s79148/Report%20Allocation%20of%20Local%20Community%20Infrastructure%20Levy%20funding.pdf">http://moderngov.southwarksites.com/documents/s79148/Report%20Allocation%20of%20Local%20Community%20Infrastructure%20Levy%20funding.pdf</a>  <a href="http://moderngov.southwarksites.com/documents/s83264/Report%20Community%20investment%20plans%20-%20allocation%20of%20Local%20CIL.pdf">http://moderngov.southwarksites.com/documents/s83264/Report%20Community%20investment%20plans%20-%20allocation%20of%20Local%20CIL.pdf</a>	

**APPENDICES**

No.	Title
Appendix 1	CIL accounts
Appendix 2	Previously agreed CIL projects

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Alice Macdonald, Communities and Equalities	
<b>Lead Officer</b>	Stephen Platts, Director of Regeneration	
<b>Report Author</b>	Dan Taylor, Programme Manager	
<b>Version</b>	Final	
<b>Dated</b>	7 January 2021	
<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 Governance	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>	7 January 2021	

**APPENDIX 1**

**CIL accounts** (figures were taken from the Commonplace <https://southwarkcil.commonplace.is/> based on CIL sums earlier this year)

<b>Ward</b>	<b>CIL amount</b>
Borough and Bankside and St George's	£1,426,118
Champion Hill, Camberwell and St Giles	£172,500
Chaucer	£541,500
Dulwich Hill	£37,000
Dulwich Village	£137,500
Dulwich Wood	£66,500
Faraday	£260,500
Goose Green	£106,500
London Bridge and West Bermondsey	£732,500
Newington	£250,000
North Bermondsey	£51,000
North Walworth	£750,000
Nunhead and Queen's Road	£88,500
Old Kent Road	£139,500
Peckham	£97,000
Peckham Rye	£12,383.97
Rotherhithe	£20,714
Rye Lane	£154,500
South Bermondsey	£325,093
Surrey Quays	£105,511
<b>Total</b>	<b>£5,474,820</b>

## **APPENDIX 2**

### **Community Infrastructure Plans**

#### **CAMBERWELL HILL, CHAMPION HILL AND ST GILES**

The amount of CIL currently available is £172,000.. Prior to CIL applications opening, members from Camberwell Green, St Giles and Champion Hill wards agreed to pool their CIL funds and jointly select projects to be prioritise for CIL funding across the three wards.

A significant proportion of the bids for CIL funding in Camberwell proposed projects to make the lives of pedestrians and cyclists in the area safer. Councillors for all three wards strongly share the views of residents on this topic and would like to use CIL funds to initiate an area wide strategy for creating routes through Camberwell which are safe and accessible for all residents, regardless of ability or age. This strategy will link up a number of existing projects which are being delivered to improve pedestrian and cycling routes in the area, such as the SLAM masterplan and GaST research.

Councillors have also identified a number of smaller projects they wish to fund through CIL which mainly focus upon improving playspace in the area and piloting sustainability schemes on Southwark's housing estates.

Project location	Project description	Would this project have an impact across the ward?	CIL Budget minimum £172,500
Across all three wards (Camberwell Green, St Giles and Champion Hill)	<p><b>Camberwell Routes for All strategy Future Projects</b></p> <p>A proportion of CIL funds will be committed towards contributing to the physical delivery of projects identified through feasibility study.</p>	The Camberwell Routes for All Strategy aims to provide safer and accessible routes across the area between key amenities and travel hubs, with the main goal of making people's day to day lives easier. This will have a positive impact for residents across all three Camberwell Wards as well as visitors to the area, or those passing through.	Fund now from available CIL up to £90,000
Across all three wards (Camberwell Green, St Giles and Champion Hill)	<p><b>Camberwell Routes for All strategy feasibility Study</b></p> <p>To undertake a feasibility study for a strategic public realm and highways plan which would create safe and accessible routes around Camberwell for all residents. A large proportion of CIL proposals raised the need to provide safer, greener and accessible pedestrian and cycling routes in Camberwell, taking into account the diverse needs of all residents regardless of ability and age. This feasibility study aims to</p>	The Camberwell Routes for All Strategy aims to provide safer and accessible routes across the area between key amenities and travel hubs, with the main goal of making people's day to day lives easier. This will have a positive impact for residents across all three Camberwell Wards	Fund now from available CIL up to £40,000

Project location	Project description	Would this project have an impact across the ward?	CIL Budget minimum £172,500
	address the concerns raised by residents through the CIL funding application process, and also to link to existing public realm and highways projects being undertaken in the area such as the SLAM masterplan and Guy's and St. Thomas's research.		
Route of Black History Walk (Camberwell Green + St Giles Wards)	<p><b>Camberwell Routes for All Project: Black History Walk Wayfinding</b></p> <p>During summer 2020, Stephen Bourne, a life long Camberwell resident, developed a Black History Walk around the Camberwell Green area. CIL funds will be allocated to contribute to providing wayfinding for this route as part of Camberwell Routes for All strategy.</p>	The Black History Walk includes routes through some of Camberwell's busiest streets, including Camberwell Road and Peckham Road. Both residents and visitors to the area will come across this wayfinding during their daily routines, and discover the important heritage this route reveals.	Fund now from available CIL up to £5,000
Vicarage Grove + Brunswick Park (St Giles Ward)	<p><b>Camberwell Routes for All Project: Bin decluttering</b></p> <p>Both Vicarage Grove and Brunswick Park provide great potential quieter and greener routes away from busy roads in Camberwell. These roads would be quickly and significantly improved by decluttering</p>	Decluttering these streets of bins will create safer and accessible pavements for all pedestrians. This will improve the pedestrian experiences of both Camberwell residents and visitors by who wish to take	Fund now from available CIL up to £5,000

Project location	Project description	Would this project have an impact across the ward?	CIL Budget minimum £172,500
	<p>the bins which currently occupy large parts of the pavement. CIL funds will go towards bin hangers on these streets, creating safer and accessible pavements for all.</p>	<p>quieter routes away from Camberwell's main transport arteries.</p>	
<p>D'Enynsford Estate (St Giles Ward)</p>	<p><b>Water butts pilot scheme</b></p> <p>This project is intended to act as a pilot scheme for the potential roll out of water butts across other Camberwell area estates.</p> <p>There are currently 8 water butts located across D'Enynsford Estate for residents to use to water the community beds in the grounds. However, with the changing climate residents are finding they have to top up with tap water. Thirty more butts would provide a butt for every 10 households on the estate, helping residents to maintain the beds we have created for herbs, veg, flowers and shrubs.</p> <p>If the water butts scheme on D'eynsford Estate proves successful, this could be rolled out across other estates as part of the Great Estates</p>	<p>This project will be used as a pilot scheme on one estate. If successful this could be replicated across multiple estates in the area.</p>	<p>Fund now from available CIL up to £2,000</p>

Project location	Project description	Would this project have an impact across the ward?	CIL Budget minimum £172,500
	programme.		
Dog Kennel Hill Adventure Playground (Champion Hill Ward)	<p><b>Dog Kennel Hill Adventure Playground</b></p> <p>DKHAP would like to renovate the playground. CIL funds will contribute towards ensuring continuity in the safety for everyone who uses the playground, as well as improving the adventure area, better seating for parents, toilet facilities and recreational area.</p>	This project will help the providers continue to keep the community children safe at no cost, especially to low income families. Children can learn and develop sporting skills.	Fund now from available CIL up to £5,500
Camberwell Green (Camberwell Green Ward)	<p><b>Younger Children's play on Camberwell green</b></p> <p>To provide an additional piece of play equipment to the existing play area which is suited to toddlers. The existing climbing equipment is for older children and families say young kids want to use it but cannot as they're too small.</p>	This will improve the experience of families with children living in the area by providing play equipment for children of all ages.	Fund now from available CIL up to £10,000
Theatre Peckham, Havill Street (St Giles Ward)	<p><b>Theatre Peckham</b></p> <p>Replacement of main doors to theatre due to sustained weather damage.</p>	Theatre Peckham is a key community space in the area offering support residents through various programmes and cultural offerings.	Fund now from available CIL up to £15,000

## DULWICH HILL

The total amount of local CIL currently available within Dulwich Hill ward is £37,188. Councilors have identified two clear priorities for investment based on feedback from the local community at consultation stage. Those priorities deal with traffic reduction and community safety around St Aidan's Road / St Dunstons Road / Ryedale and promoting active and sustainable transport through provision of additional cycle hangars in the ward. The table below sets out the levels of local CIL funds allocated to each project. A provisional total of £25,000 has been allocated leaving an unallocated balance of £12,188.

<b>Project location</b>	<b>Project Description</b>	<b>Would this project have an impact across the ward?</b>	<b>CIL Budget £37,188</b>
Cycle Hangars	Installation of on street cycle hangars in the Dulwich Hill ward, subject to final confirmation of locations to including Peckham Rye / Forest Hill Road / adjoining roads.	Meets key ward theme of sustainability & responding to climate change	£10,000
St Aidan's Road / St Dunstons Road / Ryedale	Introduction of traffic calming measures on residential roads between Forest Hill Road and Underhill, including St Aidan's Road, St Dunstons Road and Ryedale, with a view to introducing resident access-only restrictions and/or one-way operation, subject to feasibility and local consultation.	Meets key ward theme of sustainability & responding to climate change	Feasibility £5,000 Provisional allocation: £10,000

Allocation of the remaining funds will be reviewed on the basis of further investment priorities identified through the allocation of funds from other funding sources including CGS and DHB.

## **DULWICH VILLAGE**

The total amount of local CIL currently available within Dulwich Village ward is £137,875.96. Councilors have identified three clear priorities for investment based on feedback from the local community at consultation stage. The aim of the primary area-wide priority is to support the implementation of active travel opportunities such as walking and cycling, reducing traffic volume and make streets safer and healthier. The other projects are focused on improving the facilities within Dulwich Park in order to make them more accessible to the local community. The table below sets out the levels of local CIL funds allocated to each project.

Project location	Project description	Would this project have an impact across the ward?	CIL Budget £137,875.96
Dulwich Village Ward	<p>Initial feasibility and design work into potential projects to support the implementation of active travel opportunities such as walking and cycling, reducing traffic volume, improving air quality and making streets safer and healthier.</p> <p>Establish a network of safe walking and cycling route which connect with similar in neighboring wards, supporting active travel and preventing increase of traffic and pollution; Addressing commuter parking, and monitoring air pollution levels.</p>	Meets key ward theme of sustainability & responding to climate change	Feasibility £20,000 Provisional allocation up to £77,875.96
Dulwich Park	<p>Installing new pumping and aeration equipment in the lake and rivulet.</p> <p>This project builds upon works already undertaken by Southward Parks department.</p>	Would improve the green open spaces and the nurturing of natural habitats	Up to £20,000
Dulwich Park	Improving the existing basketball court provision within Dulwich Park, including resurfacing.	Would improve and enhance access to green and open space in the ward promoting an active lifestyle.	Up to £20,000

## FARADAY

The total available budget for the ward is £260,500. A significant sum of money has been allocated to Walworth Living Room, a dedicated community facility,

who's reach within the local community has been tested via its response to food insecurity arising from the pandemic. Funding is also awarded to improving safety and security on estates and improving shared shares to support active travel and the reduction of carbon emissions.

<b>Project location</b>	<b>Project Description</b>	<b>Would this project have an impact across the ward?</b>	<b>CIL Budget £260,500</b>
Walworth Living Room	Community Space and activities. The project will bring unused sections of All Saints Hall, a heritage building, into public use to create a flexible, affordable space for community groups, neighbourhood organisations and local workers to build a better neighbourhood. The project has been identified by the GLA as an example of Good Growth by Design and has secured match funding.	The proposals would provide increased community facilities for the local community and contribute to an improved sense of place and community as well as provide employment, training and skills opportunities for local residents.	£150,000
Kingslake Estate	Placemaking Feasibility Study. Improvements to the safety of communal and public areas on the estate in consultation with residents. Small enhancements to the landscaping could address security issues and ASB risks.	The implementation of improved public spaces and will benefit the estate as well as contribute to wider objectives relating to community safety.	Total £20,000. Feasibility study: £10,000 Provisional Capital Delivery of Feasibility Study: £10,000

<b>Project location</b>	<b>Project Description</b>	<b>Would this project have an impact across the ward?</b>	<b>CIL Budget £260,500</b>
Gateway Estate	Placemaking Feasibility Study. Improvements to the safety of communal and public areas on the estate in consultation with residents. Small enhancements to the landscaping could address security issues and ASB risks.	The implementation of improved public spaces and will benefit the estate as well as contribute to wider objectives relating to community safety.	Total £20,000.  Provisional Feasibility study: £10,000  Provisional Capital Delivery of Feasibility Study: £10,000
Wells Way / Burgess Park	Cycle Docking Station – Site Feasibility Study. This study will scope and outline the feasibility of a cycle docking station on Wells Way in the area north of St. George’s Church.	Increased cycle infrastructure will support strategic policy objectives relating to climate change and health.	£15,000
Elizabeth Estate	New Public Space on Elizabeth Estate There is potential to enhance public space/garden in the Elizabeth Estate (at the corner of Lytham Street) with the potential for community gardening.	The implementation of improved public spaces and will benefit the estate as well as contribute to wider objectives relating to climate change and health.	Provisional sum of £12,500 subject to further consultation with housing, residents and in collaboration with CGS team.
Surrey Square Park	Improvements to the park and security. There is potential to enhance this space to improve the its use through improving safety and	Improvements to key open space for benefit of all residents	Provisional sum of £20,000 subject to further consultation with residents and parks and leisure.

<b>Project location</b>	<b>Project Description</b>	<b>Would this project have an impact across the ward?</b>	<b>CIL Budget £260,500</b>
Liverpool Grove between Walworth Road & St Peter's Church	Pedestrianisation. The Walworth Low Emission Neighbourhood (LEN) is currently taking forward this project, however additional funding may be required to bring additional real improvements	Key east west walking route adjacent to key community asset which would benefit all residents in the ward	Provisional sum of £22,500 subject to further work under the LEN programme.

### **GOOSE GREEN**

The amount of CIL funding currently available for Goose Green ward is £106,821. Councillors have identified two potential project priorities subject to further feasibility work. The CIL fund would be distributed among these projects according to amount required. A total of £40,000 has been allocated, leaving an unallocated balance of £66,821. Allocation of the remaining balance will be reviewed pending the outcome of feasibility work below.

<b>Project location</b>	<b>Project Description</b>	<b>Would this project have an impact across the ward?</b>	<b>CIL Budget <u>£106,821.00</u></b>
Whole ward, East Dulwich Road, East Dulwich Grove (A2214)	Feasibility study into the potential to create safe cycle lanes on the East Dulwich Road / East Dulwich Grove (A2214) and beyond.	It would benefit the community from this ward and beyond, making the road safer for cyclists, which will in turn contribute towards reduced traffic and air pollution.	Feasibility £20,000

Project location	Project Description	Would this project have an impact across the ward?	CIL Budget <u>£106,821.00</u>
Outside East Dulwich Station on Grove Vale	Feasibility and initial design work to a potential to improve the area outside East Dulwich station, establishing a public square with improved pedestrian and cycle routes. Options to be considered include: - Raised & realigned pedestrian crossing; - Raised loading bays; - Decluttering the public realm, including removing pedestrian guard rails, relocating bins and cycle parking; - Improving pedestrian and cycle routes in the vicinity including around Vale End, Melbourne Grove and Railway Rise.	Improved access to the Station and associated public realm. This will benefit cyclists, pedestrians and local businesses.	Feasibility £20,000

## NEWINGTON

The amount of CIL currently available is minimum £250,000. Funds now are to be used to fund two key projects to improve community spaces within the ward which focus on increasing accessibility and capacity in order to deliver vital environmental and youth programmes to local residents. Walworth Garden are planning works to improve their site and buildings in order to create an environmental learning centre with the capacity to serve more local residents than their current site allows for. £175,000 will go towards works to improve Walworth Garden's buildings, external spaces and perimeter fence to improve capacity and accessibility. The Jack Hobbs Centre on the Brandon Estate is planning works to improve their premises to make it suitable for hosting a wide range of training programmes and community groups to support local residents. £75,000 will go towards works to make the Jack Hobbs Centre a warm and safe community space which is accessible to all.

Project location	Project description	Would this project have an impact across the ward?	CIL Budget minimum £250,000
Walworth Garden	To improve both the site and building at Walworth Garden to create an environmental learning centre. Walworth Garden's workshops and accredited training programmes currently run at capacity. As the climate crisis continues, local communities are turning to Walworth Garden for guidance regarding a more sustainable ways to live.	Improvement works will increase both the capacity and accessibility of the garden's internal and external spaces, allowing them to provide vital space and training to more of the local community.	Fund now from available CIL up to £175,000
Jack Hobbs Centre, Brandon Estate	Improvements to the Jack Hobbs Community Centre to create a warm and safe environment which is accessible to all. A number of key training programmes and local community groups are to be run from Jack Hobbs Centre. Improvement works will allow these groups to deliver vital support training opportunities to the local community	As well as serving Brandon residents, the Jack Hobbs Centre hosts key programmes and community groups which support young people from the wider local area.	Fund now from available CIL up to £75,000

## OLD KENT ROAD

The total available budget to date for the ward is £139,000. Councillors have sought to prioritise investment to strategic projects which will benefit the whole ward, with investments in key open spaces, community facilities and delivering on public realm improvements which will benefit the wider community. In accordance with the themes for the ward, several projects have been chosen that reflect those priorities set out in the social regeneration charter for Old Kent

Road with a fourth theme focussing on sustainability and the climate emergency which are priorities for the ward and the borough. With the available CIL funds, the priority project would be the one at Leyton Square, proposing the delivery of youth and community space. The delivery of the other projects on this list is subject to feasibility studies and funding amount from future CIL. Further work will be done to identify how funds will be apportioned to each.

<b>Project location</b>	<b>Project description</b>	<b>Would this project have an impact across the ward</b>	<b>CIL budget</b>
Leyton Square	Delivery of a youth space and space for local residents and community organisations and investment in the Leyton Square Hut to deliver activities for the community as a whole.	Yes, this would provide investment in a key open space and deliver on a project which could be enjoyed by the community as a whole, including the provision for youth space in the ward.	Priority project to be funded by available CIL
Astley Cooper Estate	Refurbishment of the Tenants Residents Association hall.	Yes, this would provide investment into a facility that is used by residents and the wider community.	Fund from available or future CIL, dependent on costs associated with delivering Leyton Square.
Brimmington Park	Replacement of play equipment	Potential CIL project it would improve on existing facilities in key open space and would deliver positive facilities for young people.	Fund using future CIL.
Bird-in Bush park bike track	Refresh of the bike track.	Potential CIL project it would improve on existing facilities in key open space and help to provide better infrastructure which encourages healthy activity.	Fund using future CIL.

<b>Project location</b>	<b>Project description</b>	<b>Would this project have an impact across the ward</b>	<b>CIL budget</b>
Masters Drive	Improvements to the playground.	Potential CIL project it would improve on existing facilities in key open space and would deliver positive facilities for young people.	Fund using future CIL.
Ledbury Estate	Improvements to the playground, including new landscaping and growing beds.	Potential CIL project would improve the community facilities and would deliver positive facilities for young people as well as improving landscaping in open space in the ward.	Fund using future CIL.
Nile terrace area	Improvements to the existing open space, delivering on biodiversity enhancing measures, improved playspace and traffic calming measures.	Potential CIL project to improve the amenity and biodiversity in a valuable open space that can be enjoyed by the rest of the wider community including for its road safety proposals and including younger children with the improvements to the playspace.	Fund using future CIL.
<b>Albert way Community planter</b>	Community planter on Albert Way	Potential CIL project would improve the public realm experience and provide community and biodiversity benefits.	Fund using future CIL.

Project location	Project description	Would this project have an impact across the ward	CIL budget
<b>Canal Grove Cottages</b>	Energy retrofit measures	Potential CIL project that would deliver on energy efficient measures to an important heritage asset, enabling carbon savings from improvements to the energy performance of the building.	Fund using future CIL.

**PECKHAM**

The amount of CIL currently available is now £67,159.00, having awarded £30,000 to Peckham Platform previously. A key strategic project for future funding is to be allocated to the Peckham Square public realm re-design. The agreed scheme would benefit the local community by enhancing a much used and loved piece of public realm. The Ward's theme is *'young people'*

Project location	Project Description	Would this project have an impact across the ward?	CIL Budget £67,159
Peckham Square	<p>The funding will go towards the re-design and implementation of Peckham Square public realm space. The scheme will be of significant quality and excellence in Peckham, in partnership with the local community. The square will be enhanced with:</p> <ul style="list-style-type: none"> <li>• A dedicated space for market traders and Sunday Farmer's Market</li> <li>• Public Art, new and existing</li> <li>• A new 2 lane cycle way which deviates safely away from pedestrians using the square. The cycle way coincides with Cycleway 35 (Bermondsey to Peckham route)</li> <li>• An events and performance space</li> <li>• A mix of hard and green landscaping</li> </ul>	<p>Addressing the award winning Peckham Library and Mountview School of Arts and flanking the northern end side of Peckham High Street, the new square is intended to act as a civic heart for the local area, to bring definition and cohesion to the immediate locality and become draw for local people.</p> <p>The scheme design shall be developed with significant input from a project group of stakeholders, comprising local community groups and residents.</p> <p>It is expected that the resulting scheme shall present an excellent design that contributes positively to the existing iconic buildings of Peckham, of which Peckham's residents can be proud, and in which all members of Peckham's diverse communities feel a sense of belonging, representation and welcome</p>	Fund now with £67,159

## RYE LANE

The amount of CIL currently available is £154,731.01. There are a number of projects listed below. The CIL fund would be distributed among these projects according to amount required. Where a feasibility study is deemed necessary to establish project scope and viability, a £10,000 fund would be allocated. All schemes would benefit the local community and aligns with 'projects for young people – 'things to do', tackling social isolation' in accordance with the ward's

theme.

Project location	Project Description	Would this project have an impact across the ward?	CIL Budget £154,731
Peckham Rye Station	<p>'Art-driven' clean-up of the facades surrounding and facing Peckham Rye station.</p> <p>Artwork would be applied to demountable and transferable panels, which can be moved around the ward once the construction works have commenced and the buildings are demolished.</p> <p>Permanent artwork would be applied onto facades where those buildings are to remain. Funding also used for minor repair works to existing facades where needed.</p>	<p>These works will celebrate the new Peckham Rye Station square and subsequent building works. The area immediately in front of the station is in need of a clean-up. It is proposed to use local artists and young people to create a series of murals and artworks to transform this area. The funding will be used to facilitate the artworks with demountable panels and where possible, directly onto existing facades. There is also scope to do additional works to other surfaces such as the ground and walkways.</p> <p>This project could create links to local businesses and organisations, including youth groups but means of a community collaboration.</p>	£50,000
Rye Lane ward, location to be established through project	Feasibility scheme to establish, design and implement much-needed premises aimed at young people in the area.	<p>The design of the new premises would be led by input from a local youth panel. This project would have strong ties with the scheme noted above and links to local businesses and organisations.</p> <p>The money would go towards the design and build of the new premises.</p>	£10,000 for a feasibility study. The majority of the total funding remaining would be allocated to the implementation of this scheme

Project location	Project Description	Would this project have an impact across the ward?	CIL Budget £154,731
Pelican Estate	Security door entrance systems to be updated or installed as new on the Pelican Estate.	The security door systems will provide increased safety to the residents.	Approx £2500 per property. Housing dept. to confirm exact number

### **SOUTH BERMONDSEY**

The total available budget for the ward is £325,093.93, (this includes the neighbourhood CiL from the Dockley Road Industrial Estate of £191,093.93). Ward councillors would like to prioritise investment to housing improvements and open space projects by improving the communal areas of key estates in the ward and delivery of The Blue.

The priority project is to deliver a major improvement works on Alexis Street playground and park at the Blue. Other priority projects which came forward were around the improvements of the estates, many of which are in accordance to the first theme, for a healthy, connected and sustainable place in the social regeneration charter for South Bermondsey ward and the Borough. These secondary projects chosen reflect the social regeneration themes for South Bermondsey. Level of funding would be determined on the delivery and availability of funds using future CIL income. Further feasibility work will be done to determine how they could potential be delivered.

<b>Project location</b>	<b>Project Description</b>	<b>Would this project have an impact across the ward?</b>	<b>CIL Budget £325,093</b>
Alexis Street	Alexis Street playground & park improvements to include: adventure playground, outdoor gym, other exercise features, nature area, fruit & veg growing, landscaping, seating, picnic area, social space for young people by MUGA, reinstate tradition of holding funfairs for the Blue on area by MUGA.	Key project for the South Bermondsey ward. It would be part of the 'Made in Bermondsey' regeneration programme for The Blue project. It would generously improve the open space proposed for a key project in South Bermondsey	Funding would be available from the total CiL of £325,093.93
Willow Walk	Replacing the Willows trees. Replanting 5-10 new willows along the stretch on patches alongside, the Setchell football pitch.	Replanting the number of willow trees on Willow Walk. By lining the stretch with willow trees, it would restore the trees that have been cut down or removed and provide key open space connections.	Further work to be identified. Funding to be determined by feasibility work.

<b>Project location</b>	<b>Project Description</b>	<b>Would this project have an impact across the ward?</b>	<b>CIL Budget £325,093</b>
South Bermondsey ward	Adding a secure bicycle storage unit for local residents	Yes, by providing equal space for sustainable, active transport of transport and reduce vehicular transportation mode. This will increase the sustainable links and help respond to the climate change emergency.	Possible future CIL project – would be reviewed further to explore costings.

<b>Project location</b>	<b>Project Description</b>	<b>Would this project have an impact across the ward?</b>	<b>CIL Budget £325,093</b>
Longfield estate	<p>Estate improvements/ Painting, Gardening and Tarmacing; New painting, lighting, allotments and gardening infrastructure, signage, waste infrastructure, biodiversity projects; Painting: 1st floor Railings on Ash House and Fairby House. Ground Floor of Fawkham House and Hartley House. Archway between 13 and 29 Stansfield House - the surroundings and ceiling of archway. Gardening: Craigie House front grass area outside number 6 - the flower beds. Tarmacing: Car Park behind Donahue House number 57 to 60 uneven. Improve communal stairwell in Dhonau House.</p>	Yes, it would improve quality of accommodation and quality of open space for residents in the Longfield Estate.	Would be funded using future CIL

<b>Project location</b>	<b>Project Description</b>	<b>Would this project have an impact across the ward?</b>	<b>CIL Budget £325,093</b>
Setchell estate	Estate improvements; New painting, lighting, allotments and gardening infrastructure, signage, waste infrastructure, biodiversity projects.	It would improve the quality of the space and accommodation for residents in Setchell Estate.	Would be funded using future CiL
Neckinger estate/Neckinger Estate football/basketball pitch	New painting, lighting, allotments and gardening infrastructure, signage, waste infrastructure, biodiversity projects. improvements to sports and play areas.	It would improve the quality of the space and increase safety for residents to use at anytime in the day.	Would be funded using future CiL
Vauban estate and Alscot Way	Estate improvements; New painting, lighting, allotments and gardening infrastructure, signage, waste infrastructure, biodiversity projects	It would improve the quality of the space and accommodation for residents	Would be funded using future CiL

<b>Project location</b>	<b>Project Description</b>	<b>Would this project have an impact across the ward?</b>	<b>CIL Budget £325,093</b>
Manor estate	Estate improvements; New painting, lighting, allotments and gardening infrastructure, signage, waste infrastructure, biodiversity projects	It would improve the quality of the space and accommodation for residents in Manor Estate.	Would be funded using future CiL
Rouel Rd estate	Estate improvements; New painting, lighting, allotments and gardening infrastructure, signage, waste infrastructure, biodiversity projects	It would improve the quality of the space and accommodation for residents in Rouel Rd Estate.	Would be funded using future CiL
Between Robert Bell House and Helen Taylor house, Evelyne Lowe Estate	Refurbish the green pathway	Yes, it would reinforce a well connected greener path for local residents to use and walk through	Would be funded using future CiL

<b>Item No.</b> 14.	<b>Classification:</b> Open	<b>Date:</b> 19 January 2021	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Consultation on Proposals for the Private Rented Sector 2021 – 2026	
<b>Ward(s) or groups affected:</b>		All wards	
<b>Cabinet Member:</b>		Councillor Leo Pollak, Housing	

**FOREWORD – COUNCILLOR LEO POLLAK, CABINET MEMBER FOR HOUSING**

With almost a third of Southwark residents now living in the private rented housing, the imperative to review the regulatory regime that supports the rights and conditions of tenants in the private rented sector has never been greater.

The context for private renters in Southwark is stark - private sector rents average over £20,000/annum alongside median earnings barely over £31k per year; the ending of an assured shorthold tenancy has become a growing and significant driver of homelessness in the borough; and the personal and economic impacts of the Covid-19 pandemic have both highlighted for renters the critical importance of safe, well-maintained homes and a healthy landlord relationship, as well as the pressures both renters and landlords face as so many more are falling into arrears.

This report details our proposals – due to go out to consultation later this month - for a new additional license for larger HMOs (Houses of Multiple Occupation), and to expand the selective license from less than 20% of our private rented homes in our borough to over 85%, with a series of new designations proposed to roll out over the coming year to improve conditions, tackle ASB and deprivation linked to housing.

It also puts forward a differential fee structure that rewards private landlords with a new Gold and Platinum standard for private landlords. The Gold standard will be for landlords offering responsive repairs, fair and predictable and fair rents, and a secure tenancy with protection from unnecessary eviction. The Platinum standard, which will have its license fee set at zero, will be for landlords wanting to let their homes at Local Housing Allowance rate through the council’s lettings agency with a guaranteed income stream, full insurance cover and repairs coverage, and assurances their property will be returned to the landlord in equal or superior condition.

We are also in parallel to this establishing a new Southwark Private Renters forum and Renters union - to promote awareness of renters rights, promote awareness of the council’s legal and tenancy sustainment services the council and partners offer, help develop campaigns to improve security and affordability of private renting, and to strengthen the voice of private renters.

The work of our existing license has shown the importance of our licensing and enforcement powers in improving safety and conditions of private rented homes, and in encouraging a more responsive and respectful relationship between tenants and landlords. We recognise that most landlords in Southwark are responsive and responsible to their tenants, but we also recognise too that mean so many of our renters passing the majority of their income onto their landlord. It's striking too how that the numbers of referrals to the Mayor's rogue landlord register has doubled in just the past year alone.

While national legislation doesn't support private rented sector licensing designations based explicitly on measures or affordability or security, we will be developing campaigns alongside our new renters forum to lobby Government for these controls, and for licensing powers to reside at the level of London regional government. We will also continue our calls for grants to support renters clear rent arrears and remain in their homes, to an end to unfair section 21 evictions, for long-term Covid support, and for an effective social security system that meets the real cost of housing with Local Housing Allowance rates covering the cost of average rents.

I would encourage private tenants and landlords alike to consider our proposals for a new licensing scheme, and I look forward to reading responses to the consultation.

## **RECOMMENDATIONS**

1. That Cabinet rescind the approvals set out in the 7 April 2020 Cabinet report, titled 'Consultation on Proposals for the Private Rented Sector 2020 – 2026', which includes recommendations relating to the proposed Gold Standard.
2. That Cabinet approves the public consultation on the proposals for changes to the Southwark's mandatory licensing scheme.
3. That Cabinet approves the public consultation on the Council's proposals for the additional licensing scheme in Southwark for 5 years from 2021/22.
4. That Cabinet approves the public consultation on the Council's proposals for the selective licensing scheme to operate in Southwark for 5 years from 2021/22.
5. That Cabinet approves the public consultation on the proposed Gold Standard Charter.
6. That Cabinet notes the financial commitment made from the London Devolution Reserve to support the development of a Renters' Union and requests that work is undertaken to allow a Renters' Union to be established in Southwark in 2021.

## **BACKGROUND INFORMATION**

7. On the 7 April 2020 Cabinet agreed to publicly consult on the then proposals on property licensing. The proposals, including the Gold Standard, have

subsequently changed and are being brought back to Cabinet to reconsider. Following the April approval to consult, the national restrictions to protect the public from COVID-19 took effect. In line with national guidance from central government the decision was taken to pause the planned consultation and review the proposals in light of the impact of the Covid-19 pandemic.

8. Whilst carrying out this review it became clear to officers from the evidence available that different areas of the borough had far greater differing issues which could be better targeted using a more ambitious approach with selective licensing powers. The changes to these proposals set out in this report and its appendices, therefore, better reflect Southwark as a borough with a broad diversity and a wide range of issues in the private rented housing sector. In doing so the new proposals also recognise the changes the pandemic has had on resident's lives and the way the Council has had to adapt the way it operates and provides services.
9. The private rented sector (PRS) in Southwark constitutes approximately a third of the housing stock in Southwark and plays a crucial role in meeting the housing requirements of residents. According to census data, growth in the PRS in Southwark has been significant; in 2001 it represented almost 9% of the stock and by 2011 had grown to over 23% (28,493). Our recent estimates, based on data held by the Council in 2019, shows the sector has grown to just over 29% (42,964).
10. There are different types of landlord operating within this sector: professional, responsible landlords; rogue, inexperienced, reluctant or accidental landlords; and criminal landlords. All these types of landlord require a different approach by the Council.
11. Rogue landlords knowingly flout their obligations by letting unsafe and substandard accommodation to tenants, placing their health, safety and welfare at serious risk. Many of these tenants are the most vulnerable people in our society. These landlords often target vulnerable tenants and usually house them in overcrowded and poorly managed and maintained accommodation. This also has a detrimental impact on neighbourhoods. Anti-social behaviour (ASB), nuisance neighbours, accumulations of rubbish and other problems can be linked to the failure of private landlords to manage their properties and tenancies effectively.
12. Common issues found in low quality housing are damp and mould, overcrowding and fire hazards. Damp is linked to allergies and respiratory problems including rhinitis, eczema and asthma. Spores from mould growth can also be allergenic, carcinogenic, and toxic and cause infections. There are also mental and social health effects such as anxiety, depression and social isolation caused by issues such as damage to internal decorations, staining, smells and living in small, dark rooms.
13. Sixteen of Southwark's twenty-three wards have levels of deprivation above the national average. The huge demand for housing in the borough is such that poorer and more marginalised tenants have little choice but to accept poor quality and unsafe housing from landlords who take advantage of these market conditions. Overcrowding is an increasing issue as the cost of housing increases. More and more families with children resort to living in

overcrowded conditions, including some who occupy one room in a house let in multiple occupation (HMO), as it's the only space they can find or afford. Lack of space and overcrowded conditions are linked to psychological distress, anxiety and depression, increased hygiene risks, increased risk of accidents and the spread of contagious diseases. Small children need at least as much space as an adult and the need for privacy begins to develop from the age of eight. Children living in overcrowded homes are found to be up to ten times more likely to contract meningitis and three times more likely to have respiratory problems. (Housing Health & Safety Rating System (HHSRS) – Operating Guidance (February 2006))

*Note: An HMO is a building or part of a building occupied as a main residence by 3 or more people in 2 or more households. A household can be one person or several people provided that they are related to each other, including cousins, grandparents and stepchildren as well as partners living together. An HMO can include buildings converted solely into self-contained flats ('Section 257 HMOs'), as well as buildings containing bedsits and/or non-self-contained flats, shared houses and hostels ('Section 254 HMOs').*

14. Houses let in multiple occupation in particular, often have inadequate fire detection and protection equipment. The main causes of fire are cooking appliances, space heaters, and electrical distribution equipment. With occupiers often being confined to their own rooms all of their daily activities are carried out in a single room with multiple electrical appliances. Often a single kitchen being used multiple times in a day as each household takes its turn to cook a meal increases the risk of fire. The elderly and the very young are most at risk from this hazard. A household with children is also twice as likely to experience a fire as one without children. (*Housing Health & Safety Rating System (HHSRS) – Operating Guidance (February 2006)*)
15. It is estimated that avoidable disease and injuries caused by poor and dangerous housing costs the NHS at least £600 million per year. Home is where people spend most of their time and a safe, secure home is the foundation on which people build their lives. In turn, poor, dangerous housing conditions have a negative effect on physical and mental health. (*BRE Briefing Paper – The cost of poor housing to the NHS*).

### **Provisions for Licensing in the Private Rented Sector**

16. There are 3 types of licensing that can apply to properties in the private rented sector. All three types are included in these proposals and are referred to and outlined in more detail within this document and its appendices. These are:
  - Mandatory Licensing - Under part 2 of the Housing Act 2004, larger HMOs that are occupied by 5 or more persons forming at least 2 separate households are required to be licensed.
  - Additional Licensing – Part 2 of the Housing Act 2004 also gives local authorities power to license HMOs that are not covered by mandatory licensing.

- Selective licensing - Part 3 of the Housing Act 2004 gives local authorities power to license properties that are not covered by mandatory or additional licensing.
17. Additional and selective licensing are sometimes referred to as discretionary licensing as the decision to bring the schemes in, is down to the discretion of the local authority.
  18. The above provisions are set out in more detail below in legal implications.

## **Actions Already Taken by the Council to Improve the Private Rented Sector in Southwark**

### **Licensing**

19. The Council has operated a mandatory licensing scheme since April 2006 in accordance with Part 2 of the Housing Act 2004. The mandatory scheme will continue to run without an end date in accordance with Part 2 of the Housing Act 2004.
20. In 2014/15 officers undertook an in-depth study to explore the nature and extent of poor standards of management and maintenance in the private rented sector, and look at potential solutions including the use of the authority's discretionary licensing powers.
21. Proposals for additional and selective licensing schemes, based on the outcome of the study, went through an extensive public consultation, and in July 2015 Cabinet approved the proposals. Public notices were issued and publicised in local newspapers, in Council offices, on the web-site and through other media outlets. The schemes came into operation on 1<sup>st</sup> January 2016 to operate over a 5 year period.
22. Both schemes are still in operation and will end on 31 December 2020.

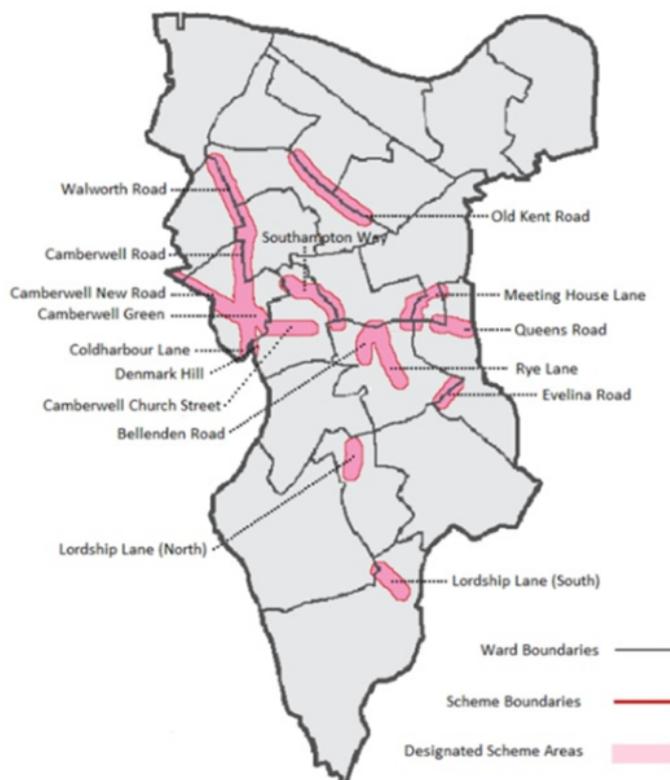
### **Existing Additional Licensing**

23. The findings of the 2014/2015 study, demonstrated that a significant number of HMOs across the borough, not covered by the mandatory licensing scheme, did not meet minimum legal standards for amenities and provision of adequate fire precautions. That gave cause for concern in that they placed tenants' health, safety and welfare at risk. This was sufficient evidence for a borough wide additional licensing scheme.
24. The additional scheme operates borough wide for 5 years from 1 January 2016 and ended on 31 December 2020.
25. There are 5 standard conditions attached to the additional licences. These are:
  - all licensed properties must be compliant with the LACORS fire guidance
  - landlords of licensed properties must take all reasonable and practical steps to reduce or prevent anti-social behaviour and the use of the property for illegal purposes by persons occupying or visiting the dwelling.

- a permitted number of households and individuals; the licence holder is responsible for ensuring that the maximum number stated in the licence is not exceeded
- all licensed properties have to comply with the private rental standards
- all licensed HMOs must comply with Southwark's HMO standards.

### Existing Selective Licensing

26. The study also found a correlation between areas where there was a high incidence of ASB and a higher density of privately rented dwellings. This indicated that there was a case for the introduction of selective licensing predominately along the main thoroughfares and high streets of the borough where there is a concentration of privately rented flats above shops. As other local authorities have found with this type of accommodation the main business is the shop and not the managing of the rented dwelling and these homes are therefore more likely to be neglected. Consequently Southwark's current selective licensing scheme includes some high streets and main thoroughfares and some of the immediate surrounding areas.
27. The Selective licensing scheme covers all privately rented properties, other than HMOs, in specific areas. See outline map below for current areas. Detailed maps are also available here: <http://www.southwark.gov.uk/home-owners-services/private-home-owners-and-landlords/property-licensing?chapter=3>



Map 1 – showing the areas of the borough covered by the existing selective licensing schemes.

28. Conditions attached to the licence ensure that all those dwellings included in the schemes must achieve a satisfactory standard whereby the tenants' health, safety and welfare is protected.

There are 4 standard conditions attached to the selective licences. These are:

- all licensed properties must be compliant with the LACORS fire guidance
- landlords of licensed properties must take all reasonable and practical steps to reduce or prevent anti-social behaviour and the use of the property for illegal purposes by persons occupying or visiting the dwelling.
- a permitted number of households and individuals; the licence holder is responsible for ensuring that the maximum number stated in the licence is not exceeded
- all licensed properties have to comply with the private rental standards.

*Note: Not all of the required improvements, repairs or management that relate to a house/dwelling under the Act can be dealt with under the licensing conditions for any type of licensing scheme. In such cases they are dealt with separately to the licence under Part 1 of the Housing Act 2004 – Housing Health and Safety Rating System.*

### **Results under the Current Additional and Selective Licensing Schemes**

29. Since January 2016 the Council has licensed:
- 680 properties under mandatory licensing (and received a further 15 applications currently being processed)
  - 3058 properties under additional licensing (and received a further 98 applications currently being processed)
  - 1781 properties under selective licensing (and received a further 159 applications currently being processed).
30. The conditions attached to licences are checked for compliance:
- Within 18 months of the date the full licence was issued for any conditions which would require the reduction of numbers of tenants in the property. This is to allow time to seek alternative accommodation.
  - Within 6 months of the date the full licence was issued for all other conditions affecting the health safety and welfare of the tenants.
  - Any urgent issues are dealt with under alternative legislation, such as an Abatement Notice under the Environmental Protection Act 1990 where issues are found to be prejudicial to health, a Notice under the Prevention of Damage by Pests Act 1949 to deal with infestations, etc.
- Following these initial periods conditions must be complied with continuously for the remainder of the licence period and are checked by officers at random inspections.
31. Between 1 January 2016 and 31 May 2018 officers carried out a study into the condition of licensable properties before licences were issued and conditions enforced. Inspections are routinely carried out once a licensing

application had been received as part of the normal licensing process. Officers started recording conditions for the study at that inspection. The condition of the property was measured using the housing health and safety rating system (HHSRS) under the Housing Act 2004 (see [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/9425/150940.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/9425/150940.pdf)) . This is a risk-based evaluation tool to help local authorities identify and protect against potential risks and hazards to health and safety from any deficiencies identified in dwellings. Hazards are rated by severity of hazard, category 1 being a serious or immediate risk to a person's health and safety and significant category 2 hazards, although less serious or less urgent, can still be regarded as placing the occupiers' health, safety and welfare at risk.

32. The results of the study were as follows:

- a. For mandatory licensing - 121 properties inspected during the study and officers found:
  - 31% have no hazards
  - 24% have at least 1 category 1 hazard
  - 34% have at least 1 category 2 hazard
- b. For additional licensing - 1475 properties inspected during the study and officers found:
  - 19% had no hazards
  - 34% had at least 1 category 1 hazard
  - 53% had at least 1 category 2 hazard
- c. For selective licensing - 476 properties were inspected during the study and officers found:
  - 59% had no hazards
  - 13% had at least 1 category 1 hazard
  - 32% had at least 1 category 2 hazard

*Notes regarding the study:*

*Percentages will not total 100 in each scheme study as some properties have both cat 1 & 2 hazards and will appear in both the category 1 and category 2 percentage.*

*A number of the properties in the study had been licensed at least once since 2006 and had already been improved under previous licences. This would account for the higher percentage of properties with no hazards.*

*Following this study there were changes in the scope of the mandatory scheme and the criteria to only include properties with three or more storeys was removed. Some of the properties included in this study are now included in the mandatory licensing scheme. However, the average number of occupiers in HMOs in Southwark is four as landlords would keep the numbers low to avoid mandatory licensing, even after the current additional licensing designation. Therefore, the numbers of these properties in the*

*study is quite small and the results remain a good indicator of the HMOs found under the current additional licensing scheme.*

33. In 2017, according to the English National Survey report, 14% of all privately rented homes in England contain a Category 1 hazard. From the study above, we could clearly see that 47% of licensable properties in Southwark had category 1 hazards. This is more than 3 times the figure for England. Category 1 hazards are more likely to be found in properties owned and managed by rogue and criminal landlords as properties deteriorate quickly with low levels of maintenance and management.
34. There are hazards that pose a serious threat to the health, safety and welfare of occupiers, for example; exposed wiring, leaking roofs, lack of heating and hot water, serious fire hazards and pest infestations. In addition to the negative effects on physical health, poor housing conditions also have a harmful influence on mental health and wellbeing. For example; “children living in overcrowded homes are found to be more likely to be stressed, anxious and depressed, have poorer physical health and attain less well at school” (HHSRS Operating Guidance).
35. Lack of fire safety arrangements accounted for 84% of the non-compliant HMOs and single family properties in the selective licensing areas. This would range from the lack of a single point detector in a single family property or a missing or defective full alarm system in an HMO.
36. The results of the study would seem to be good evidence that licensing helps uncover poor housing in the borough. Conditions would be improved either by action under part 1 of the Housing Act 2004 or by enforcing conditions on the licence. Most landlords carry out the improvements informally before any formal action is required. This resulted in a drop in formal notices, such as Prohibition Orders and Improvement Notices, etc. being served as landlords looked to comply with basic standards after being made aware of them via the licensing process, whether or not the particular standards they fell afoul of could be enforced under licensing. Educating landlords is the aim of any local authority but it would seem that local authorities need something to draw landlords’ attention to first. Licensing certainly fits this bill.
37. It is important to note that the majority of properties assessed in this study were from landlords who came forward voluntarily to apply for a licence. These landlords include the most responsible in the borough. It does not include the many properties uncovered by the housing enforcement team since May 2018. The majority of these have been owned by landlords who have either deliberately evaded the licensing schemes or were unaware of their responsibilities.
38. Landlords deliberately evading licensing schemes are more likely to not only be evading other areas of housing law but also untaxed income, unpaid Council taxes, fraudulent housing benefits claims, illegal immigration and even slavery. It is therefore imperative that the Council continues to build on the successes of the current licensing schemes and enforcement practices to uncover the very worst privately rented housing in the borough.

### Other Enforcement Work

39. The Council have used all available means of improving conditions within the private rented sector and will continue to do so. Since the beginning of the current discretionary licensing schemes, in January 2016, the Council has also taken the following actions:
- Informal requests for compliance with standards – 451 informal notices served for hazards under HHSRS
  - Formal notices for compliance with standards – 313 formal notices served for hazards under HHSRS
  - Formal notices under minor provisions (i.e. not Housing Act 2004/HHSRS) - 227 for housing conditions including those that were prejudicial to health or a nuisance and served as part of a larger investigation (e.g. notices of entry or formally requesting information regarding the property for investigation purposes)
  - Prosecutions – 35 landlords and agents have been successfully prosecuted for 168 offences at 35 PRS properties in the borough
  - Proceeds of Crime Act (POCA) – following a prosecution for housing and trading standards offences the Council were granted a confiscation order of £55,372.96
  - Civil Penalty Notices – 3 CPN's have been issued and paid
  - Rent Repayment Orders may be used to recover rent paid as Housing Benefit where a licensable property has not been licensed. The service work closely with the Tenancy Relations Service to assist tenants with their own applications for a Rent Repayment Order.
40. The details of all landlords who have been prosecuted are publicised on the GLA rogue landlord and agent checker. These records are checked as part of the fit and proper person test when applications are received for a Southwark property licence. If the proposed licence holder has been convicted of a related offence they will be declared as a person/company not fit and proper to hold a licence, with reference to sections 66 and 89 of Housing Act 2004.

### Partnership Work

41. The Council operates a Rogue Landlord Multi-Disciplinary Task Force which includes the following internal and external partners:

#### Housing Enforcement & Property Licensing

- Trading Standards (capturing illegal trading practices within the sector)
- Planning Enforcement
- Revenues and Benefits (which includes Council tax and housing benefits)
- Temporary Accommodation
- Private Rented Sector Team within Housing Solutions
- SASBU
- Legal Services
- LLPG (this team registers new/changes to addresses which can indicate conversion to flats/HMO)

- Home Office
  - Fire Brigade
  - Police
  - HMRC
  - Gang Masters and Labour Abuse Authority (GLAA)
42. The group's aims & objectives are to:
- Ensure that there are formal referral channels and that they are working effectively
  - Facilitate intelligence sharing between the teams to uncover potential illegal activity for investigation (offences such as tax evasion, money laundering, trafficking, placing residents' health, safety and welfare at serious risk, modern day slavery)
  - Highlight specific cases of concern
  - Enable a coordinated response and robust enforcement against any rogue landlord or agent.
  - Record multi-disciplinary successes, publicise through press releases and the GLA Watch list
  - Sharing best practice.
43. The number of prosecutions of rogue landlords across the Council has risen to 28 since the task force started in January 2018 from 4 prosecutions in the previous 2 year period. This can largely be attributed to the increased and efficient intelligence sharing across members of the task force. This helps officers meet the threshold of evidence required for successful prosecutions and has increased the numbers of cases referred between members, internally within the Council and external partners.
44. Joint work has long been existent with The Private Rented Sector Team within the Housing Solutions Service. This Team's aims are to prevent homelessness and provide specialist housing advice and support to residents renting privately within Southwark. This includes advice around security of tenure, defending possession proceedings and tackling poor landlord/agent practice, including harassment and illegal eviction. The Team routinely refer cases of poor property conditions, conduct joint visits when required with the Housing Enforcement and Property Licensing Team and inform of HMOs and private sector dwellings within the Borough, to ensure they are appropriately licensed.
45. The Private Rented Sector Team also co-ordinate Southwark's Private Sector Landlord's forum, which is a series of events to help raise awareness of key legislative changes and to help communicate Council policies and initiatives regarding Southwark's Private Rented Sector, including Southwark's licensing scheme. These events which are delivered in partnership with the Housing Enforcement and Licensing Team and other key internal and external partners, aim to inform and develop a good working relationship with our landlord community where possible.

## **Housing Stock Condition and Stressors Survey 2019**

46. To enable a targeted approach to tackling the specific issues in the private rented sector in Southwark, the Council worked with an external consultant, Metastreet Ltd, to carry out a Housing Stock Condition and Stressors Survey. The results of this survey are attached in appendix 1 and provides accurate estimates of:
- Current levels of private rental sector (PRS) properties and tenure change over time.
  - Information on the number of Houses in Multiple Occupation (HMOs) as a subset of the PRS.
  - Levels of serious hazards that might amount to a Category 1 hazard (HHSRS).
  - Other housing related stressors, including antisocial behaviour (ASB), service demand, population and deprivation linked to the PRS.
47. These indicators have been used to develop Southwark's licensing proposals and enable a targeted approach to tackling poor housing, including the proposals set out below, and in appendix 2, of this report for licensing under Part 2 and Part 3 of Housing Act 2004.
48. The report (appendix 1) will form part of the consultation information and evidence for the proposed licensing schemes.
49. Information regarding Metastreet Ltd, and how the survey was conducted and data analysed is included in Appendix 1.

## **KEY ISSUES FOR CONSIDERATION**

### **Proposals for Mandatory, Additional and Selective Licensing**

50. The changes to mandatory licensing and the proposed additional and selective licensing schemes are described in greater detail in appendix 2. The documents include information on the proposals for the formal licensing process. Enforcement and penalties attached to the schemes are proposed in accordance with legislation and the Council's enforcement policy available on the Council's website.
51. Appendix 2 also gives details of the following for each scheme:
- types of properties included and excluded in the schemes,
  - areas the schemes will operate in,
  - the fees and discounts for each of the schemes,
  - the standard conditions to be attached to licences under each scheme,
  - the objectives of the schemes, and
  - how the schemes will be reviewed.
52. The proposed fees have been calculated to cover the cost of administration and enforcement of the scheme. Discounts have been calculated to include the reduction in cost to the Council where landlords are likely to behave

responsibly and require less intervention and where they agree to lease their properties to the Council. Discounts are also proposed to encourage early take up of the licensing schemes.

53. The mandatory scheme will continue to run without an end date in accordance with Part 2 of the Housing Act 2004.
54. The proposals for the additional and selective licensing schemes are for five years. The proposed start dates for the schemes, if approved, will differ slightly depending on the results of the consultation and when the designations are proposed to take effect.

### **The Proposals for Changes to the Mandatory Licensing Scheme**

55. The proposed fees for the mandatory licensing scheme are set out in Appendix 2. These changes will help to ensure that fees for larger HMOs are fairer and more consistent with the proposed additional scheme.
56. The current discretionary conditions attached to the mandatory licensing were devised in 2015 and were pertinent to the issues in the HMO sector at this time. The conditions have been revised to take account of the current issues within the private rented sector and are set out in appendix 2. These include the need to respond to COVID-19 and are in accordance with the Housing Stock Condition and Stressors Survey in set out in appendix 1.
57. Licensing is complex and any consistency across the schemes will help simplify licensing across all HMOs.
58. Although the Council is not obliged to consult on mandatory licensing or the proposed changes, these have been included in the consultation as they are linked to the fees and conditions proposed for the additional scheme and the Council would like to seek opinions on these changes.

### **The Proposals for an Additional Licensing Scheme**

59. According to the Stock Condition and Stressors Survey Report (appendix 1), the predicted number of HMOs in Southwark is 5,031. North Walworth has the highest concentration of HMOs - however, there are also significant numbers of HMOs within all of the other wards. The report also shows that 86.3% of the HMOs in Southwark are predicted to have serious hazards (Category 1 HHSRS). HMOs are generally at a higher risk of fire, disrepair and overcrowding. HMOs that are poorly maintained and managed are the highest risk.
60. Anti-social behaviour (ASB) linked to HMOs usually occur where management of the property is poor. These issues include noise, verbal abuse, harassment, intimidation, nuisance animals, nuisance vehicles, drugs and substance misuse, domestic violence, rubbish and fly tipping (Appendix 1).
61. The evidence demonstrates that ASB incidents linked to HMOs are scattered within the borough. Therefore, the Council will not be taking a blanket approach to ASB and is proposed that a property specific approach is taken when dealing with ASB. Therefore, standard licence conditions for additional

licensing proposals exclude a general condition to deal with ASB, but will be instead, based on a case by case basis and conditions added to a licence to tackle ASB where the ASB issues with the HMO in question warrant it.

62. The existing additional licensing scheme operating in Southwark since 2016 has made significant steps towards improving HMOs in the borough and the Council is keen to continue this good work.
63. In light of the evidence above, the Council is proposing to consult on the following proposal for additional licensing. All houses let in multiple occupation across the whole borough, that are not subject to Mandatory Licensing under the Housing Act 2004, will require a licence under the proposed additional licensing scheme detailed in appendix 2.

### **The Proposals for a Selective Licensing Scheme**

64. Different considerations apply to each designation of a selective licensing scheme. For the Council to introduce a scheme, applying to non HMOs, it has to be satisfied it is an area in which one or more general conditions apply. This is set out by the selective Licensing of Houses (Additional Conditions) (England) Order 2015 and conditions specified for the purposes of section 80(2) (b) of the 2004 Act. The general conditions the Council found applicable to Southwark, and therefore worthy of investigation are:
  - a. that the area contains a high proportion of properties in the private rented sector, in relation to the total number of properties in the area
  - b. That the area is experiencing a significant and persistent problem caused by antisocial behaviour (the Council must show some or all landlords who have let premises in the area (whether under leases or licences) are failing to take action to combat and effectively deal with the problem)
  - c. The area has poor property conditions
  - d. The area has high levels of deprivation.
65. More information regarding the legislation is given in the section on legal implications below.
66. Using the Stock Condition and Stressors Survey Report (appendix 1) officers analysed and ranked each ward in order of the highest percentage/severity found or predicted (depending on data source) for each of the following categories;
  - Percentage of PRS
  - deprivation,
  - poor housing conditions (measured by likelihood of a category 1 hazard being present)
  - Anti-social behaviour (ASB).
67. Southwark's private rented sector (PRS) exhibits evidence of poor housing conditions in most wards with some affected by issues with ASB and others suffering high levels of deprivation.

68. Tackling the issue of ASB across all tenures, including the PRS, is a strong priority for the Council. ASB evidence shows that it is an issue across the borough with some wards having considerable problems with ASB.
69. Examination of the evidence has therefore shown that a selective approach can be taken to the majority of wards in the borough by proposing a number of differing designations. Individual designations will differentiate between the issues prevalent to those wards. In this way the Council can be confident that it is providing targeted protection for private tenants across the wards proposed to be included within the designations.
70. In response to the above the Council are proposing the following designations for public consultation.

### **Designation 1 – High levels of ASB and repeat ASB**

71. This designation includes two wards, named below, in a single designation:
- Champion Hill (21.2% of the ward comprises private rented property)
  - Newington (17.6% % of the ward comprises private rented property)
72. This designation compromises the wards with not only high levels of ASB linked to the PRS but also high levels of repeat incidents of ASB. The proposed licence conditions aim to help tackle the ASB issues (see appendix 1 and 2 for further analysis).
73. The number of privately rented properties included in Designation 1 equate to 5% (2,065) of the total privately rented properties in Southwark.

### **Designation 2 – Very high levels of poor property condition.**

74. This designation includes three wards, named below, in a single designation:
- Faraday (32.4% of the ward comprises private rented property)
  - Goose Green (28.8% of the ward comprises private rented property)
  - St Giles (29.2% of the ward comprises private rented property)
75. This designation compromises the wards with the highest levels of poor property condition. The objective of the proposed licence conditions is to improve property condition and management of these properties whilst recognising that the Housing Act 2004 in general requires the Council to deal with sub-standard conditions using HHSRS assessments and Part 1 enforcement powers, e.g. an Improvement Notice (see appendix 1 and 2 for further analysis).
76. The number of privately rented properties included in Designation 2 equate to 13% (5,838) of the total privately rented properties in Southwark.

### **Designation 3 – Deprivation and poor property conditions.**

77. This designation includes four wards, named below, in a single designation:
- North Walworth (38.4% of the ward comprises private rented property)
  - Nunhead & Queens Road (36.5% of the ward comprises private rented property)
  - Old Kent Road (30.8% of the ward comprises private rented property)
  - Peckham (30.1% of the ward comprises private rented property)

78. This designation comprises the wards with the high levels of poor property condition and the highest levels of deprivation. The objective of the proposed licence conditions is therefore twofold:
- to improve the property conditions and management of these properties whilst recognising that the Housing Act 2004 in general requires the Council to deal with sub-standard conditions using HHSRS assessments and Part 1 enforcement powers, e.g. an Improvement Notice, and
  - to assist in the reduction of levels of deprivation by introducing licence conditions that tackle some of the main contributors to deprivation in the home, e.g. tenancy matters, fuel and water poverty, etc.
- (see appendix 1 and 2 for further analysis).
79. The number of privately rented properties included in Designation 3 equate to 22% (9,767) of the total privately rented properties in Southwark.

#### **Designation 4 – Poor property conditions.**

80. This designation includes ten wards, named below, in a single designation:
- Camberwell Green (25.2% of the ward comprises private rented property)
  - Chaucer (31.8% of the ward comprises private rented property)
  - Dulwich Hill (26.2% of the ward comprises private rented property)
  - Dulwich Wood (29.2% of the ward comprises private rented property)
  - London Bridge & Bermondsey (27.2% of the ward comprises private rented property)
  - Peckham Rye (33.1% of the ward comprises private rented property)
  - Rotherhithe (30.3% of the ward comprises private rented property)
  - Rye Lane (33.3% of the ward comprises private rented property)
  - South Bermondsey (35.7% of the ward comprises private rented property)
  - Surrey Docks (29.7% of the ward comprises private rented property)
81. This designation comprises the wards with the high levels of poor property condition. The objective of the proposed licence conditions is to improve property condition and management of these properties whilst recognising that the Housing Act 2004 in general requires the Council to deal with sub-standard conditions using HHSRS assessments and Part 1 enforcement powers, e.g. an Improvement Notice (see appendix 1 and 2 for further analysis).
82. The number of privately rented properties included in Designation 4 equate to 45% (19,269) of the total privately rented properties in Southwark.

#### **The consultation and proposed approval path for Selective Licensing proposals.**

83. Collectively the four proposed designations equate to 85% of the total PRS in the borough and excludes PRS properties in those wards where there is insufficient evidence to justify its introduction. This also demonstrates the Council's commitment to ensuring that the proposed schemes are selective in nature and aim to tackle the specific proposals with the PRS in those areas.

84. Designations 1 & 2 collectively equate to 18% of the total PRS in Southwark. It is proposed that following the consultation and if subsequently approved by Cabinet that these designations be brought in under the general consent to do so as set out in the Housing Act 2004: Licensing of Houses in Multiple Occupation and Selective Licensing of Other Residential Accommodation (England) General Approval 2015.
85. Designations 1 & 2 will act as pilot schemes to assess the effectiveness of the new ward based approach to selective licensing as apposed to the street by street approach taken under the existing schemes.
86. Effectiveness will be assessed against the following the criteria:
- The percentage of properties within the wards that are in the PRS. This will be based on properties targeted for licensing by the Council using the Metastreet modelling data.
  - The number of properties with either actual ASB issues (Designation 1) or sub-standard conditions (Designation 2) as apposed to the predictive modelling data.
87. If the results demonstrate the reasonable accurateness of the predictive modelling, this will demonstrate the ward based approach is justified.
88. The assessment will be carried out during the first 6 months of the introduction of the schemes.
89. Designations 3 & 4 collectively equate to 67% of the total PRS in Southwark. Therefore, following the consultation and if subsequently approved by Cabinet these schemes will form an application to the Secretary of State for Housing, Communities and Local Government (MHCLG).
90. If the Secretary of State approves either designation, they will only be introduced if the assessment of the effectiveness of designations 1 & 2 demonstrates the ward approach is successful.
91. This approach is in line with the Housing Act 2004: Licensing of Houses in Multiple Occupation and Selective Licensing of Other Residential Accommodation (England) General Approval 2015 and the updated guidance issued by the Department for Communities and Local Government in March 2015 (Selective licensing in the private rented sector - A Guide for local authorities), which states:
- “Under the new arrangements if a local housing authority makes a designation that covers 20% or less of its geographical area or privately rented properties, the scheme will not need to be submitted to the Secretary of State, provided the authority has consulted for at least 10 weeks on the proposed designation. However, if the local housing authority makes one or more designations that are in force partly concurrent to an existing scheme, and cumulatively all the designations cover more than 20% of the area or the private rented stock, those new designations will need to be submitted to the Secretary of State for approval. Likewise if the local housing authority makes two or more designations at the same time, each of which account for less than 20% of the area or private rented stock, but cumulatively account for more than 20% of either, all of the schemes will need to be submitted to the Secretary of State for confirmation.”*

## Benefits of the Proposals for Licensing

92. By continuing to licence properties within the private rented sector, expanding the areas to which selective licensing applies and tailoring the proposed licensing schemes to address the current issues within the borough the Council expects the benefits to be:
- a. Wider and continuing identification and prevention of rogue landlord activity in the borough.
  - b. Wider and continuing improvement in the physical condition, management practices and overall quality of properties in the PRS.
  - c. Reduction in anti-social behaviour associated with the private rented sector making the borough a safer and more desirable place to live.
  - d. Reduce deprivation by lessening the barriers to housing such as overcrowding and homelessness.
  - e. Tackling fly tipping and other forms of environmental crime through ensuring better management of private rented homes.
  - f. Ensuring that absentee or unfit landlords employ an agent to actively manage their properties.
  - g. Support for landlords in dealing with anti-social tenants and training on management of their properties.
  - h. Education of tenants on the minimum standard they should expect in the PRS.
  - i. Improvement in protection for vulnerable groups living in HMOs.
  - j. Promotion of landlord accreditation and encouragement of landlords to maintain a better standard of property and behave in a professional manner;
  - k. Encouragement of landlords to take responsibility for the behaviour of their tenants.
  - l. Helping the Council to build a better understanding of the PRS and develop further strategies.
  - m. Building a better reputation for the PRS in the borough.
  - n. Making Southwark a place to call home.
93. Work carried out by officers in preparation for the consultation has led to an improvement in data sharing across the Council and uncovered the potential for further improvements in the Council's licensing IT systems. These improvements, alongside the proposals have the potential to:
- a. Provide opportunities to enhance the Council's ability to uncover fraud which will lead to more prosecution and better compliance e.g. benefit & Council tax, sublet Council properties, breaches of building and planning regulations.
  - b. Provide increased intelligence around the PRS improving rogue landlord enforcement, community engagement and the Council's knowledge of the PRS in the borough.

### **Transfer of unexpired licences from the existing schemes**

94. Licences issued under the current additional and selective licensing schemes that have not expired will be valid under the proposed schemes for the remainder of their licence period. This will be to the benefit of responsible landlords who have already licensed their properties under the current schemes and will provide better 'value for money' from their licensing fees. It will also prevent essential Council resources being taken up with re-licensing properties that have already been licensed, inspected and brought up to standard recently under the existing schemes. The focus at the beginning of the new schemes can then be on continuing to license properties in areas previously unaffected by licensing or in existing licensing areas that have not been licensed previously. This approach means that Council resources are concentrated on continuing to root out landlords who did not apply for a licence under the existing schemes, uncover rogue landlords and licensing properties in the new selective licensing areas (i.e. those areas not covered by the existing scheme).

### **Proposals for a Renters' Union**

95. The Council also wants to work with private renters to drive up standards and ensure that this growing part of the borough's population has a voice. The Council will commission research to identify and engage with a broad and representative cross-section of this diverse population.
96. In 2021 the Council will establish a standing body, conventionally termed a Renters' Union, to ensure private renters have a collective platform and can work with the Council to improve conditions and empower tenants in the private rented sector.

### **Proposals for Landlord's Gold Standard Charter**

97. The Council's focus is on enforcing against rogue landlords with steps also taken to educate the inexperienced and provide support to the professional. Whilst licensing helps to ensure landlords provide an acceptable service to tenants the creation of a Landlord's Gold Standard Charter is an opportunity to recognise landlords who already provide a better service than the one required by law, encourage other landlords to achieve a higher standard, and give tenants a better idea of the standard of accommodation that they should be offered.
98. Licensing fees are split in to two parts. Part A is the administration fee paid at point of application for a licence. Part B is the fee that covers the cost of enforcement to the council and is payable when the full licence is issued (for more information on licensing fees see appendix 2). The Gold Standard Charter offers discounts on licensing fees. Landlords signed up to the Charter can receive a 50% discount on part B of the licensing fee. There is also an option on the Gold Standard Charter for landlords to sign up to an additional commitment to become Platinum Standard Landlords. The additional criteria requires landlords to offer their properties to two of the three existing Council letting incentive schemes. The two schemes included in the Platinum Standard are; the social lettings agency, and the finder's fee scheme. Properties signed up to the social lettings agency will be licensed for free.

Only the part A fee will be charged where a property is registered for the finder's fee scheme. These discounts are only available for landlords signed up to the Gold Standard Charter and are in addition to any incentive payments made by the council. Both incentive schemes expect landlords to accept the Local Housing Allowance (LHA) rate as rent for the properties. No shortfall of rent can be required from the tenant and no Platinum Standard discount will be applied where landlords are found to be charging above the LHA rate. Full details on the Charter and how it will operate are given in appendix 3.

99. It is proposed that the gold standard when established will be subject to review every 18 months in partnership with the Renters' Union.

### **Proposals for the Consultation**

100. This report is seeking cabinet's approval for a public consultation on mandatory, additional and selective licensing proposals for 2021 to 2027/28 and for a Landlord's Gold Standard Charter. The consultation and engagement plan is set out in appendix 4.
101. The Council is legally obliged to consult on additional and selective licensing proposals for a minimum of 10 weeks. In order to reach as many consultees as possible, and considering the current Covid-19 pandemic, it has been decided that this consultation will be extended to 14 weeks. To support this and make use of the additional time a number of different engagement activities have been planned for the licensing proposals and Gold Standard Charter.
102. The public consultation for the changes to the mandatory licensing fees and discretionary conditions is not a legal obligation. However, as with additional and selective licensing, the consultation is intended to be a way for the Council to find out what people and particularly private tenants think about the Council's proposals. The proposed changes align with the proposals for the other licensing schemes. It is not a referendum or a voting process and the intention is not just to gauge support or opposition to a particular proposal.
103. The public consultation for the Landlord's Gold Standard Charter is not a legal obligation. However, as with discretionary licensing, the consultation is intended to be a way for the Council to find out what people and particularly private tenants think about the Council's proposals. It is not a referendum or a voting process and the intention is not just to gauge support or opposition to a particular proposal.
104. When the Council introduced its current selective licensing scheme Part 3 of Housing Act 2004 section 80(2) (b) restricted local authorities to consider only housing in areas of low demand and significant anti-social behaviour for a selective licensing designation. Since then the Selective Licensing of Houses (Additional Conditions) (England) Order 2015 has increased the range of factors a local authority could look at.
105. This consultation will give the Council the opportunity to engage with stakeholders again on a wider range of issues and allow them to voice fresh views in light of the changes. It will help the Council to consider its approach and tailor it to meet changing needs of the sector and the community.

106. The Council is keen to hear what people think of its proposals, what changes they would like to see in the proposals and if there are any better solutions to the problems facing the PRS that officers are seeking to address.
107. The consultation will include;
- a. the evidence to support the proposed licensing schemes as described in appendix 1
  - b. the proposals for the new licensing schemes as described in appendix 2,
  - c. and proposals for Gold Standard Charter as described in appendix 3.
108. The consultation will be open to all residents and business owners in the Southwark, and neighbouring boroughs but particularly aimed at:
- a. private tenants and private tenant representative groups
  - b. landlords and landlord representative groups
  - c. tenants' representative groups
  - d. charities and further education establishments, and
  - e. Managing and letting agents
  - f. Neighbouring local authorities.
109. After consultation officers will prepare a consultation outcome report. From this, officers will prepare final proposals for additional and selective licensing, and the gold standard charter to reflect the outcome of the consultation.
110. Officers will report back to Cabinet in July 2021 following the outcome of the consultation putting forward recommendations on the way forward with proposals for additional licensing, selective licensing the gold standard charter any proposal to apply to the Secretary of State for Housing, Communities and Local Governmental for approval of selective licensing schemes.

### **Policy implications**

### **Manifesto Commitments**

111. As part of the 2018 manifesto the Council committed to the introduction of a Gold Standard for the private rented sector. The proposal is to achieve this via the Landlord's Gold Standard Charter.
112. The 2018 manifesto also included a commitment to improving fire safety in the private sector. The proposal is to request fire risk assessments for all HMOs via the licensing conditions and request that they be published online via the Gold Standard Charter.
113. A further manifesto commitment in 2018 was made to introduce a renters' union to improve conditions and empower tenants in the private rented sector and have this in place by October 2020. This has been delayed due to the issues arising from the COVID-19 pandemic.

### **Southwark's Fairer Future Commitments**

114. The designation of discretionary Licensing schemes and the Landlord's Gold Standard Charter supports a number of the themes that form Southwark's Fairer Future Commitments. They support 'A place to call home' by improving living standards in the borough. Licensing specifically will help to address poor housing, as well as dealing with and deterring rogue landlords.
115. A secure home environment gives Southwark residents the platform to make the most of the opportunities on their doorstep supporting a number of the themes including; 'a place to belong', 'a healthier life' and 'a great start in life'.
116. Licensing also supports Southwark's and the GLA's commitment to tackling rogue landlords. Rogue landlords are likely to be responsible for other criminal activity such as money laundering, modern day slavery and trafficking. Through discretionary licensing we can establish more easily who the responsible landlords are (i.e. the ones that apply for a licence voluntarily and provide good quality accommodation), educate the less professional landlords (i.e. ones who apply but were unaware of the standards they should comply with prior to licensing) and identify the rogues (i.e. the ones who do not apply and deliberately flout the law). This benefits responsible landlords who most definitely make less profit from their business than the unscrupulous ones that ruin the reputation of the sector.

### **Southwark's Housing Strategy to 2043**

117. The long-term housing strategy for the Borough was agreed by cabinet in 2015. However, a refreshed version of this strategy was agreed at cabinet on 8 December 2020 following a public consultation in March 2020. This updated housing strategy continues the long term direction, but with simplified clearer commitments and updated actions. This strategy includes the commitments for additional and selective licensing, the gold standard and a renters' union.
118. The four fundamental issues are affordability; quality; security and pride and responsibility.
119. The four broad principles on these key values, as follows:
- Increasing the supply of genuinely affordable high quality homes that meet our residents' housing needs and aspirations
  - Demanding safer, higher quality, energy efficient homes
  - Promoting tenure security and social support in housing, and improving the health, wellbeing and economic resilience of residents.
  - Empowering residents and communities to have pride and influence over their homes
120. The principles make specific reference to demanding safer, higher quality, energy efficient homes. The licensing proposals will help the Council to ensure properties in the private rented sector comply with these principles. The Gold Standard Charter will show that the Council expects more from the private rented sector by outlining a standard which equates to best practice.

121. The principles make specific reference to empowering residents to take pride and influence over their homes. The consultation and proposals will help to empower residents giving their voice to proposals aimed at improving the PRS.

### **Community impact statement**

122. The consultation will set out the Council's expectations for the private rented sector including a proposal to drive up standards via the Gold Standard Charter. These proposals will have a positive impact on the wider community, as it is recognised that an increase in legally compliant and decent homes are linked to improved communities, reduced crime, improved educational attainment and health. The consultation will allow residents and landlords to highlight issues that affect them and how the proposals can help to address those issues.

### **Equality Analysis**

123. Poor housing has been identified as a health inequality which adversely impacts on the health of vulnerable groups. It is accepted that the ability to live in decent housing is key to all aspects of wellbeing. The disabled, those with impaired immune systems, the very old and young, the most disenfranchised in our society; those escaping abuse, ex-offenders, addicts and reformed addicts, migrants and particularly illegal immigrants who are more susceptible to modern day slavery, are most likely to be living in the worst dwellings in PRS. The proposed additional and selective licensing schemes seek to improve the quality of accommodation for occupiers in the private rented sector, reduce the impact on the wider community and make our expectations for the sector clear and transparent. The consultation will help the Council to consider all issues that concern the sector and the wider community and enable us to ensure the scheme is accessible and has an impact on all communities.
124. Licensable properties are required to meet conditions that are aimed at ensuring fit and proper management and tenancy, providing a fair environment for all tenants and landlords, better choice and standard of rented accommodation, and be adverse to rogue and non-compliant landlords. Introducing a Gold Standard Charter will mean that tenants and landlords alike understand the Council's expectations and aspirations for the sector above and beyond that required by legislation. These proposals are designed to empower tenants so that they have a standard to point to when choosing a home and confidence in approaching their landlord for improvements to their existing home regardless of age, disability, gender, race, sexuality etc. This will lead to better quality accommodation and greater community stability for groups who are unable to access social housing or homeownership therefore it can assist with community cohesion and tackle exclusion. The consultation for licensing and the gold standard has been designed to give all stakeholders and communities the opportunity to shape the future of the private rented sector in Southwark. The Equalities Impact Assessment for the consultation is provided in appendix 5.

### **Financial implications**

125. The costs associated with the public consultation for the proposed licensing schemes is estimated to be approximately, £30,000, although the final figure will not be known until full consultation plans have been drawn up. The costs will be met from existing Divisional budgets.
126. A new software system with an initial cost of approximately £10,000 will need to be procured. This will help ensure that the application and licensing process is as efficient as possible. There will also be an annual administration and licensing cost of approximately £37,000 for the system. The initial cost will be met from existing Divisional budgets and the annual costs will be built into base budgets from 2021/22.
127. The increase in the private rented sector in the borough requires the council to increase its engagement with private tenants. In February 2020 Council Assembly agreed 'To commit £100,000 from the London Devolution Fund to finance the initial costs of setting up and running a renters' union. That the costs of the renters' union from 2021 onwards be included in the 2021-22 base budget estimates, to be funded by the council's proposed additional and selective licencing schemes'.
128. A Renters' Union can play an important role in reaching out and involving private renters, scrutinising council services and advising on their development, raising standards by supporting the proposed Gold Landlord Charter and campaigning for renters' rights and improved legal protections. The form and function of the Renters' Union will be consulted on early next year with the aim of establishing a new organisation in 2021.
129. Administration of the scheme is such that it is intended to be self-financing over a five year period. The fees that are being applied are set at a level where the revenue from the fee will cover the cost incurred and will be reviewed on an annual basis to ensure it is in line with inflation and reflects the costs of the scheme.
130. The income will be closely monitored and a team proportionate to the demand for the service will be employed. The costs of the scheme will cover the cost of; processing the licence application, compliance monitoring and, enforcement against landlords who are non-compliant with the licensing process. The consultation proposed will make full use of existing IT facilities, existing contacts and connections and, existing community groups. There will be a need for additional officer time which will be contained within existing divisional budgets.
131. The Gold Standard Charter would be run with the current levels of enforcement officers however it is estimated that an additional administration officer will be required to help administer the scheme.

### **The legislative framework for Discretionary Licensing**

132. The Housing Act 2004 allows Councils to license privately rented housing in three ways:
  - a. Mandatory licensing under Part 2 of the Housing Act 2004 places a duty on all local authorities to license houses in multiple occupation occupied by five or more persons, living in two or more single households.

- b. Additional licensing under Part 2 of the Housing Act which gives a power to local authorities to license HMOs which are not licensable under the mandatory scheme (i.e. properties occupied by fewer than five or more people in two or more households but greater than three or more people in more than one household).
  - c. An additional licensing scheme should only be considered if the Council believes a significant proportion of HMOs in the area are being managed sufficiently ineffectively as to give rise to, or be likely to give rise to, problems for the occupants or for members of the public.
133. Selective licensing under Part 3 of the Housing Act 2004 sets out the scheme for licensing private rented properties in a local authority area. Under section 80 of this Act, a local housing authority can designate the whole or any part(s) of its area as being subject to selective licensing. Where a selective licensing designation is made it applies to all Part 3 Houses which may be houses or flats as defined by sections 79 and 99 of The Housing Act 2004 which are privately rented property in the area, subject to certain exemptions for example Registered Social Landlords, or HMOs which are required to be licensed under Part 2 of the Act through an additional licensing scheme.
134. The local authority will need to submit an application for approval to the Secretary of State for Housing, Communities and Local Government (MHCLG) if it intends to make a selective licensing designation that covers.
- a. 21% or more of its total geographical area and
  - b. includes more than 20% of its privately rented properties
135. For each designation of a licensing scheme different considerations apply. For the Council to introduce a selective licensing scheme applying to non HMOs it has to be satisfied it is an area in which one or more of the following general conditions apply. These general conditions are:
- a. That the area is, or is likely to become, an area of low housing demand
  - b. That the area is experiencing a significant and persistent problem caused by antisocial behaviour (the Council must show some or all landlords who have let premises in the area (whether under leases or licences) are failing to take action to combat and effectively deal with the problem)
  - c. The area has poor property conditions
  - d. The area has high levels of migration
  - e. The area has high levels of deprivation
  - f. The area has high levels of crime.
136. The authority must also be satisfied that making a designation will, when combined with other measures undertaken in the area by the local housing authority (or by other persons together with the local housing authority) lead to a reduction in, or the elimination of, the problem(s).
137. Before a local authority can introduce a licensing scheme it must, by law, take reasonable steps to consult all persons who are likely to be affected by any licensing scheme and to consider any representations made.

## **Penalties**

138. It is a criminal offence to let out a property in the designation area without applying for a licence. Failure to apply for or obtain a licence could lead to prosecution and an unlimited fine or the imposition of a civil penalty of up to £30,000. In addition, the Council or the tenants of the property could apply to the First Tier Tribunal for a Rent Repayment Order, requiring the landlord or agent to repay any rent paid for up to 12 months during which the property was unlicensed.
139. Once a designation has been made, no notice under section 21 of the Housing Act 1988 (notice requiring possession) may be served in relation to a short-hold tenancy of the whole or part of an unlicensed property, whilst it remains unlicensed.
140. Where the breach of a licence condition is identified, the licence holder may be prosecuted for each breach or issued with civil penalty of up to £30,000 for each breach.
141. If the licence holder allows the property in question to become occupied by more than the number of persons permitted by the licence, he or she may also be prosecuted and sentenced to an unlimited fine or the imposition of a civil penalty of up to £30,000.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Head of Procurement**

142. Not applicable.

### **Director of Law and Governance**

143. The Housing Act 2004 requires private rented houses in multiple occupation (HMO's) of a specified size to be licensed (mandatory licensing) and allows a local housing authority to extend licensing to smaller HMO's by designating an area or areas of their district or the whole of their district as subject to additional licensing. The Act also enables local housing authorities to extend licensing requirements to other private rented properties by designating for selective licensing an area or areas of their district or the whole of their district.
144. The HMO Licensing provisions do not apply to houses let by local housing authorities or registered social landlord.
145. The circumstances in which the Council may designate areas as subject to additional and selective licensing are set out in the Act and are summarised in this report together with the evidence supporting the proposed designations.
146. The Council may designate areas to be subject to additional licensing if it is satisfied that a significant proportion of HMO's relating to a description of HMO's to be specified in the designation are being managed sufficiently ineffectively as to give rise to one or more particular problems either for those occupying or for members of the public. When considering an additional

licensing scheme, the Council must also be satisfied the designation will significantly assist with dealing with the problems.

147. For selective licensing, the Council may designate areas as subject to licensing, if it is satisfied that the areas are impacted by one of a number of conditions set out in legislation; one of the conditions is that the areas are experiencing significant problems with anti-social behaviour (ASB). This is the condition relied on for the purpose of the scheme proposed in this report.
148. When considering a selective licensing scheme on the basis of ASB, the Council must also be satisfied that there is a link between the ASB and private rented accommodation in the area. It must be satisfied:
  - a. the area(s) is/are experiencing a significant and persistent problem caused by ASB
  - b. some or all of the landlords letting in the area are failing to take reasonable action to combat the problem
  - c. when combined with other measures taken in the area by the local housing authority or by other persons, making designations will lead, to a reduction in or elimination of the problems identified
  - d. the scheme will significantly assist with achieving objectives.
149. For both additional and selective licensing schemes the Council must also be satisfied before making designations that;
  - (i) the proposed designations are consistent with the overall housing strategy,
  - (ii) a co-ordinated approach is adopted in dealing with homelessness, empty properties and ASB,
  - (iii) alternative courses of action have been considered.
150. The law specifies conditions which a licence must contain but otherwise a licence may include such conditions for regulating management use or occupation of the house as the Council feels appropriate.
151. The Council may set an application fee. Such fee must be reasonable and proportionate and should not exceed the anticipated cost to the Council of running and enforcing the licensing scheme.
152. The Council may invoke enforcement processes against those controlling or managing a property without a license or failing to comply with license conditions.
153. The designation of areas subject to additional and selective licensing requires approval from the Secretary of State.
154. The Act requires the local housing authority to carry out consultation before making a designation. Before making the designation the local housing authority must:
  - (a) take reasonable steps to consult person who are likely to be affected by the designation; and
  - (b) consider any representations made in accordance with the consultation and not withdrawn.

155. DCLG guidance suggests that this consultation should include local residents, for example, tenants, landlords and managing agents, other members of the community who live or operate businesses or services in the proposed designated area and local residents and businesses in the surrounding area that will be affected. Case law indicates that those affected outside the Council's area should also be consulted. A minimum consultation period of 10 weeks is required under the general consent issued by the Secretary of State in April 2015.
156. When considering the recommendations of this report, due regard must be given to the public sector equality duty in section 149 of the Equality Act 2010. This requires the Council to consider all individuals when carrying out its functions.
157. Importantly, the Council must have due regard to the need to eliminate discrimination, harassment, victimisation or other prohibited conduct; advance equality of opportunity and foster good relations between people with protected characteristics and those who do not. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. The public sector equality duty also applies to marriage and civil partnership, but only in relation to the need to eliminate discrimination, harassment, victimisation or other prohibited conduct. Cabinet members are referred to the community impact statement in the report.
158. Designations can last for no more than 5 years from the date on which it comes into force. The Council must review the designation from time to time and if appropriate the designation may be revoked.
159. Designations, once made must be publicised by the Council within 7 days and notice provided within 2 weeks to interested parties, in accordance with the specifications set out in regulations. Once the notice has been published the Council must make copies of the designation and any prescribed information available to the public.

#### **Strategic Director of Finance & Governance (EL20/070)**

160. The strategic director of finance and governance notes the recommendations to Cabinet to approve the public consultation on the proposals for changes to Southwark's mandatory licensing scheme; proposals for the additional licensing scheme and the selective licensing scheme to operate in Southwark for 5 years from 2021/22.
161. The strategic director of finance and governance also notes the recommendations to approve the public consultation on the proposed Gold Standard Charter.
162. The strategic director of finance and governance notes the commitment of £100k from the London Devolution Fund to establish a Renters' Union in 2020/21 and the ongoing costs from 2021/22 will be incorporated within the Council's budget setting process for 2021/21.
163. The strategic director of finance and governance notes the costs associated with the public consultation and new computer software system, relating to the proposed licensing schemes and that the initial costs will be met from

existing Divisional budgets, with the ongoing IT costs incorporated within the Council's budget setting process for 2021/21.

164. The strategic director of finance and governance notes that the service is self-financing and that robust monitoring processes will need to be in place to ensure that this continues with the implementation of the new scheme.
165. It is noted that there are no other financial implications at this stage and officer time to effect the recommendations to be contained within existing departmental revenue budgets.

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Housing Act 2004	160 Tooley Street London SE1 2QH	<a href="mailto:Emma.trott@southwark.gov.uk">Emma.trott@southwark.gov.uk</a>
<b>Link:</b> <a href="https://legislation.gov.uk">Housing Act 2004 (legislation.gov.uk)</a>		
Housing and Planning Act 2016	160 Tooley Street London SE1 2QH	<a href="mailto:Emma.trott@southwark.gov.uk">Emma.trott@southwark.gov.uk</a>
<b>Link:</b> <a href="https://legislation.gov.uk">Housing and Planning Act 2016 (legislation.gov.uk)</a>		
Selective licensing in the private rented sector: A Guide for local authorities (DCLG – March 2015)	160 Tooley Street London SE1 2QH	<a href="mailto:Emma.trott@southwark.gov.uk">Emma.trott@southwark.gov.uk</a>
<b>Link (please copy and paste into your browser):</b> <a href="https://www.gov.uk">Selective licensing in the private rented sector: a guide for local authorities - GOV.UK (www.gov.uk)</a>		
The Housing Act 2004: Licensing of Houses In Multiple Occupation and Selective Licensing of Other Residential Accommodation (England) General Approval 2015	160 Tooley Street London SE1 2QH	<a href="mailto:Emma.trott@southwark.gov.uk">Emma.trott@southwark.gov.uk</a>
<b>Link (please copy and paste into your browser):</b> <a href="https://publishing.service.gov.uk">General_consent_final_2_.pdf (publishing.service.gov.uk)</a>		
Housing Strategy (London Borough of Southwark – 2020 to 2043) -	160 Tooley Street London SE1 2QH	<a href="mailto:Emma.trott@southwark.gov.uk">Emma.trott@southwark.gov.uk</a>

Background Papers	Held At	Contact
<b>Link (please copy and paste into your browser):</b>		
<a href="http://moderngov.southwark.gov.uk/documents/s92380/Appendix%20A%20-%20Southwark%20Housing%20Strategy%202020.pdf">http://moderngov.southwark.gov.uk/documents/s92380/Appendix%20A%20-%20Southwark%20Housing%20Strategy%202020.pdf</a>		
London Borough of Southwark - Council Plan 2018 – 2022	160 Tooley Street London SE1 2QH	<a href="mailto:Emma.trott@southwark.gov.uk">Emma.trott@southwark.gov.uk</a>
<b>Link:</b> <a href="#">Southwark's Borough Plan - Southwark Council</a>		

## APPENDICES

No.	Title
Appendix 1	Stock Condition and Stressors Survey Report
Appendix 2	Proposal for licensing in Southwark 2021-2027/28
Appendix 3	Proposals for a Landlord's Gold Standard Charter
Appendix 4	Proposed Consultation and Engagement Plan
Appendix 5	Equalities Impact Assessment

## AUDIT TRAIL

<b>Cabinet Member</b>	Councillor Leo Pollak, Housing	
<b>Lead Officer</b>	Caroline Bruce Strategic Director - Environment and Leisure	
<b>Report Author</b>	Emma Trott, Private Sector Housing Enforcement Manager, Regulatory Services	
<b>Version</b>	Final	
<b>Dated</b>	8 January 2021	
<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 Governance	Yes	Yes
Strategic Director of Finance and Governance	Yes	Yes
List other officers here	N/a	N/a
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>	8 January 2021	

<b>Item No.</b> 15.	<b>Classification:</b> Open	<b>Date:</b> 19 January 2021	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Acquisition of land for the purpose of building new council homes at Roberts Close, Canada Water	
<b>Ward:</b>		Surrey Docks	
<b>Cabinet Member:</b>		Councillor Leo Pollak, Housing	

**FOREWORD – COUNCILLOR LEO POLLAK, CABINET MEMBER FOR HOUSING**

I am very pleased, after a series of lengthy and regrettable delays, that the Council will now be pursuing our option to build 79 brand new affordable homes, including at least 60 social rent council homes at Roberts Close in Surrey Docks.

These homes are not only beautifully and sensitively designed, reflecting our aspiration to restore the prestige of council housing, but found in a prized location only a few minutes walk from Canada Water station and beside the Russia Docks Woodland. I am also pleased to see 39 3-bed homes for local families who are overcrowded or close to being priced out of the area.

With over 14,000 households now on housing waiting list - including several hundred in Surrey Docks ward alone - many overcrowded, homeless, and priced out of private market housing, it is imperative to be building these homes at the earliest opportunity. With a concerted effort to achieve a strong chain of benefit from these new lettings, these homes will likely rehouse over 300 people into the secure, spacious, energy efficient and genuinely affordable housing that they need.

**RECOMMENDATIONS**

That Cabinet:

1. confirms the Council will exercise its option to acquire the affordable housing to be built at Roberts Close Canada Water.
2. pursuant to s17 of the Housing Act 1985, agrees that the Council acquires a long leasehold interest in the land edged red on the plan at Appendix A in accordance with the principal terms set out substantially in paragraph 16 of this report and fully in paragraph 4 of the closed version of the report
3. delegates to the Director of Regeneration authority to agree detailed terms of the transaction.

## BACKGROUND

4. On 13 March 2018 Cabinet resolved to enter a Master Development Agreement (“MDA”) with British Land (“BL”) to bring about the transformation of the Canada Water area to fulfil its locational potential. The MDA was subsequently completed in accordance with the principles set out in the report received by the Cabinet. The MDA covers an extensive area of land that will evolve over many years and consequently is both a long and complex document. It provides for options in the Council’s favour to invest in phases of transformation and to acquire the affordable housing that will be built.
5. On 30 September 2019 Planning Committee resolved to approve a hybrid application giving detailed consent for the initial phases of the transformation and outline consent for the later phases. This application was in effect an approval of the Canada Water Masterplan that was prepared in accordance with the principles of the Canada Water Area Action Plan. Following completion of a s106 agreement on 29 May 2020, the application was given planning consent. Some local residents pursued a judicial review of the decision to grant consent but this was dismissed and it is understood the dismissal will not be subject to an appeal.
6. Now the planning process is resolved, BL is proceeding to take the project forward and its first phase will be the development of a vacant site fronting Roberts Close and adjoining Russia Walk (“the subject site”) that is shown edged red on the plan at Appendix A to this report. It is known in the planning application as plot K1.
7. On 1 December 2020 BL served notice on the Council requiring it to exercise its option to acquire the housing that will be constructed on the subject site. Should the Council decline to exercise the option BL will seek another purchaser.

### *The option machinery*

8. They are:
  - The Council has 45 working days from the date BL served notice of the offer to exercise the option
  - The option offer set out details of the properties included and other relevant legal and planning documentation as well as the offer price.
  - The offer sets out the specification for the housing
  - The purchase price is set by formula based on the value of the housing included in the viability appraisal submitted as part of the planning application process adjusted in line with movement in construction costs

- To accept the offer, the Council must serve a binding notice of acceptance together with Cabinet authority confirming the option is to be exercised.
9. On 28 November 2018, Council Assembly approved the current Council Plan. This sets a number of commitments to our community including *A Place to Belong*; one of the undertakings to meet this commitment is to *Build at least 1,000 more council homes.....by 2022*. The option to acquire the homes to be provided on the subject site needs to be considered against that commitment. On 10 November 2020 the Housing Delivery Board recommended to Cabinet that the option should be taken up.

### KEY ISSUES FOR CONSIDERATION

10. The May 2020 planning permission referred to in paragraph 5 gave detailed consent for the construction of seventy-nine dwellings on the subject site. These will comprise:
- 14 one bedroom flats
  - 26 two bedroom flat
  - 39 three bedroom flats
11. The permission provides for a tenure split of 60 homes for social rent and the remaining nineteen homes for intermediate housing. This entirely affordable housing development will be used in calculating the affordable housing provision across the Masterplan area.
12. The building will be brick clad of six and seven stories in height and as can be seen from the plan it will adjoin Russia Dock Woodland which is metropolitan open space. The subject site is approximately a ten minute walk from Canada Water Station. This makes it a highly desirable location for new housing. In recognition of climate change the building will include ground source heat pumps to achieve carbon reduction targets.
13. The base specification for the new housing has been agreed by BL and the Housing Department and satisfies relevant Council policies. Provision exists for the specification at the Council's request to be enhanced but at additional cost to the Council.
14. Surrey Docks ward like others in Southwark has a significant shortage homes for social rent housing and the new homes to be built at Roberts Close will go a small way to addressing this deficit. Should the recommended purchase proceed, fifty percent of the new homes will be made available to local people on the waiting list under a local lettings scheme to be agreed by the cabinet member for Housing no later than 10 weeks after construction works commence

15. It is unlikely that BL will commence construction on the subject site without a contracted purchaser so if the Council does not exercise its option there will be a delay which in the light of the current pandemic could be substantial. The early commencement of construction work will be a step towards post-pandemic recovery.

#### **PRINCIPAL TERMS FOR PROPOSED HOUSING ACQUISITION**

16. (a) The Council and BL enter an agreement for lease that will provide for the construction of the new homes. On practical completion of the development BL grants the Council a lease that the Council is obliged to take, of the area edged red on the plan at Appendix A that will include the completed new homes
- (b) The lease of the new housing to be on the following terms:
- (i) A duration of 200 years.
  - (ii) A fixed rent of one peppercorn per annum if demanded
  - (iii) The Council to be responsible for external repairs and repairs to common parts including communal infrastructure.
  - (iv) The Council to be responsible for maintenance and decoration of external and common parts.
  - (v) The Council to insure the building against all normal buildings risks.
  - (vi) The lease to restrict the use of the demised area to housing purposes only. The Council is to be permitted to change the use of intermediate housing to social housing but not vice-versa. Change of use of any accommodation to market sale is strictly prohibited save where provided for by statute e.g. where a secure tenant exercises the right to buy.
  - (vii) The Council with the freeholder's consent (such consent not to be unreasonably withheld) to be able to transfer the lease but in the first ten years the freeholder will have the option to acquire the lease (take a surrender) at the lower of the premium paid for the lease or the premium agreed with the prospective assignee .
  - (viii) The premium for the grant of the lease to be payable as follows:
    - 5% deposit on completion of agreement for lease

- 35% on golden brick (one brick course above damp proof course level)
  - 40% during construction billed monthly in arrears against the certified value of work carried out
  - 15% on practical completion and lease grant
  - 5% at end of defects liability period.
- (c) The overall consideration in monetary terms is set out in the closed version of this report.

### **Commentary on Principal Terms**

17. The numbering used follows that used in paragraph 16 above.

- (a) This is a mechanism that enables BL to proceed with construction but protects the Council as it will only take the lease when the new housing is finished.
- (b) (i) This is a substantial term of years
- (ii) This is a nominal rental
- (iii)-(v) These are unusual provisions for a long lease of this nature. Usually the freeholder carries out these functions and recovers its costs from the leaseholder by way of a service charge. However in this case, the proposed building and its grounds will stand independently from the remaining proposed regeneration without shared parts and services. In these particular circumstances, BL has agreed the Council can be responsible for these obligations and the Council will not be levied a service charge. The Council will still have to meet the cost of the obligations but for matters such as repairs it will control their commissioning and timing rather than BL.
- (vi) To enable the buildings to be used for the purpose they are to be acquired for. Since the dwellings are being acquired on the basis they can only be used for affordable housing the acquisition price reflects this and is lower than if they were for market sale and BL understandably requires a restriction to ensure they can't be sold on save where the Council is obliged to sell by statute e.g. under right to buy provisions.
- (vii) This protects the Council's position in the extremely unlikely event of it wanting to transfer the properties to

other ownership whilst also in the first ten years giving BL first opportunity to purchase.

(viii) Standard payment regime in respect of social housing that is to be built by a third party.

(c) Refer to the closed version of the report.

### **Rationale for Recommendations**

18. The rationale for recommendations are:

- To deliver a Council Plan commitment.
- To assist in providing new homes for person's on the Housing Waiting List.
- To enhance the Council's asset base.
- To contribute to the Borough's post Covid 19 recovery.

### **Community impact statement**

19. The Council Plan was the subject of extensive community consultation. The recommendations herein further the delivery of the *A Place to Belong* commitment set out in the Plan.

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 considering the recommendations herein the cabinet must have due regard to the possible effects of them on any groups sharing a protected characteristic in order to discharge its public sector equality duty. This is an ongoing obligation.
23. If the recommendations set out are approved, the Council will secure seventy-nine units of new housing accommodation. It is not considered there are any particular groups sharing a protected characteristic that will be adversely impacted by the proposals. Indeed, the new housing especially the homes for Council lettings should be beneficial across the range of protected characteristics.

### **Financial implications**

24. The acquisition of the new housing, the supervision of its construction and possible variations to the building specification will cause the Council to incur significant capital costs for which budgetary provision will have to be made. This, together with the Value Added Tax and Stamp Duty Land Tax implications is addressed in the closed version of this report. The cost of acquisition will be met from resources supporting the Council's Housing Investment Programme, which may include borrowing where appropriate.

### **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

#### **Director of Law and Governance**

25. Section 17(1)(b) of the Housing Act 1985 states that a local housing authority may acquire houses, or buildings which may be suitable as houses, together with any land occupied with the houses or buildings.
26. There are adequate powers available to the Council to acquire the property for housing.

#### **Strategic Director of Finance and Governance (H&M 20/114)**

27. This report is seeking Cabinet approval for the Council to exercise its option to acquire the affordable housing to be built at Roberts Close Canada Water and to delegate authority to the Director of Regeneration to negotiate the terms of the transactions. Should the acquisition proceed to a successful conclusion the Council will acquire 79 new council homes at an estimated cost as disclosed in the closed version of

this report, with the costs being met from resources supporting the Council's Housing Investment Programme. The report assumes Stamp Duty Land Tax is fully payable but the Council is currently investigating whether any reliefs or exemption may apply.

### Strategic Director of Housing and Modernisation

28. The 79 new homes will assist towards meeting the target of 2,500 new council homes by 2022. In addition, at least 50% of the new homes will be offered to existing council tenants in the local area.
- 29 As noted in Paragraph 13, work has been undertaken to align the specification, where possible, with the Council's Employers Requirements for the new build programme.

### BACKGROUND DOCUMENTS

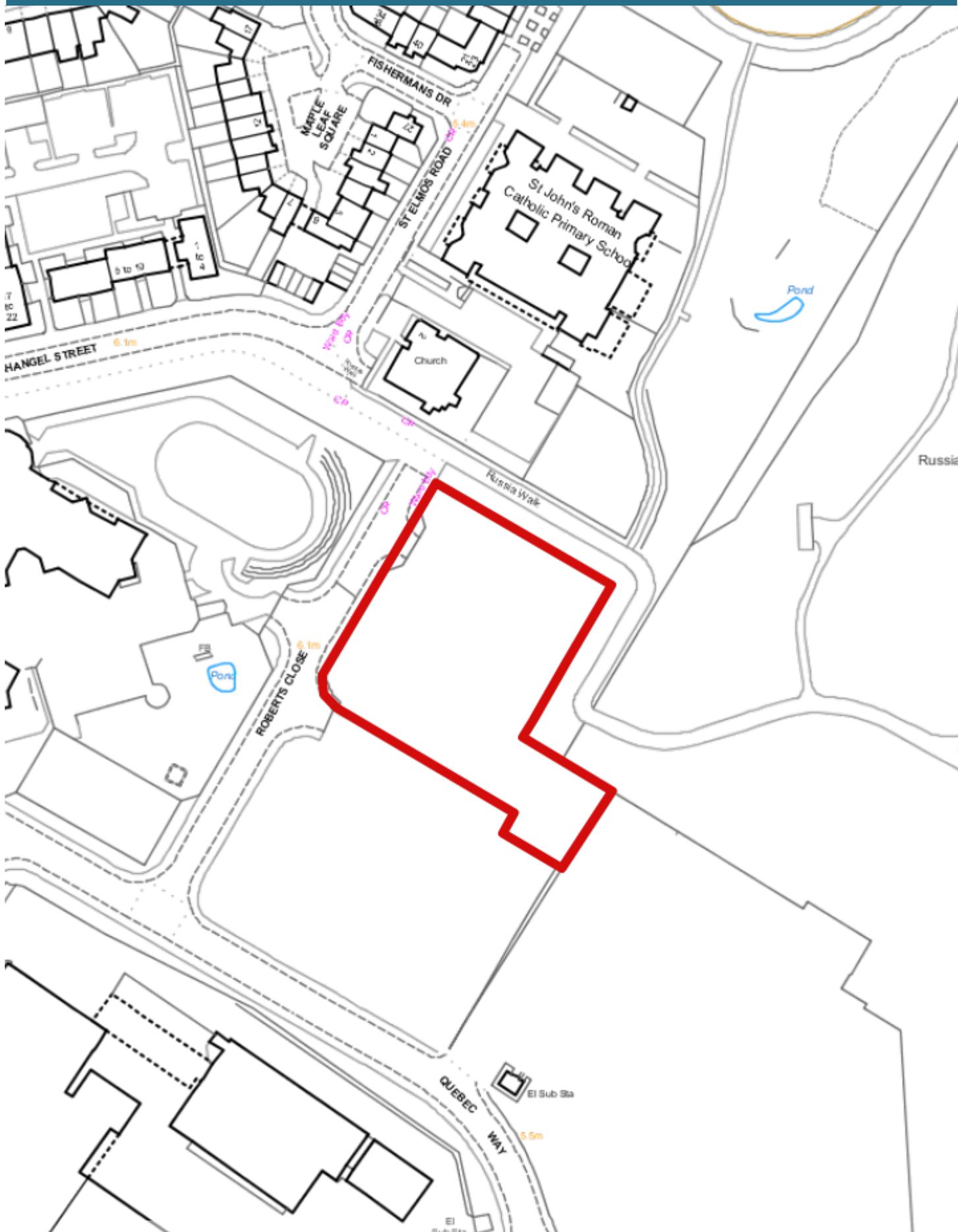
Background Papers	Weblink
Master Development Agreement report to Cabinet 13 March 2018	<b>Link: (please copy and paste into browser)</b> <a href="http://moderngov.southwark.gov.uk/document/s/s74525/Canada%20water%20Report.pdf">http://moderngov.southwark.gov.uk/document/s/s74525/Canada%20water%20Report.pdf</a>
Council Plan 2018/9 – 2021/22	<b>Link: (please copy and paste into browser)</b> <a href="http://moderngov.southwark.gov.uk/document/s/s78763/Report%20Council%20Plan.pdf">http://moderngov.southwark.gov.uk/document/s/s78763/Report%20Council%20Plan.pdf</a>
Report to Planning Committee on 25 and 30 September 2019	<b>Link: (please copy and paste into browser)</b> <a href="http://moderngov.southwark.gov.uk/document/s/s84680/Report%20Land%20bounded%20by%20Lower%20Road%20Redriff%20Road%20Quebec%20Way%20and%20Surrey.pdf">http://moderngov.southwark.gov.uk/document/s/s84680/Report%20Land%20bounded%20by%20Lower%20Road%20Redriff%20Road%20Quebec%20Way%20and%20Surrey.pdf</a>

### APPENDICES

Appendix	Title
Appendix A	Land at Roberts Close, Canada Water

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Leo Pollak, Housing	
<b>Lead Officer</b>	Eleanor Kelly, Chief Executive	
<b>Report Author</b>	Patrick McGreal, Regeneration North	
<b>Version</b>	Final	
<b>Dated</b>	8 January 2021	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Director of Law and Governance	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>	8 January 2021	



50 m

Scale = 1250

21-Oct-2020

<b>Item No.</b> 16.	<b>Classification:</b> Open	<b>Date:</b> 19 January 2021	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Land at Canada Water	
<b>Wards or groups affected:</b>		Rotherhithe, Surrey Docks	
<b>Cabinet Member:</b>		Councillor Johnson Situ, Climate Emergency, Planning and Transport	

**FOREWORD - COUNCILLOR JOHNSON SITU, CABINET MEMBER FOR CLIMATE EMERGENCY, PLANNING AND TRANSPORT**

The exciting Canada Water regeneration programme is delivering a vibrant new town centre for Rotherhithe and the wider area. Set out in the Canada Water AAP our vision for the area is to provide high quality genuinely affordable homes, community facilities, employment, shops and new public spaces.

This report unlocks the ability for the planning permission granted for Canada Water to be delivered. It recommends the appropriation for planning purposes of council owned land at Canada Water. The extent of the land is shown within the document, made up of the Surrey Quays Shopping Centre, the former Printworks, and various areas of highway and amenity land.

It has also been our aspiration for many years to attract a higher education institution to the heart of Canada Water as set out in our vision agreed back in 2014. We are delighted that British Land with TEDI have delivered on that commitment with a ground-breaking offer in hi-tech engineering with some of the leading academic institutions in the world and this reports the recent announcement. We hope some of our young residents who would not normally consider a career in Science, Technology, Engineering or Mathematics will be encouraged into training and we will work with TEDI to ensure as many as possible Southwark residents benefit from this facility in their borough.

**RECOMMENDATIONS**

1. That the council freehold land at Canada Water shown outlined and cross hatched on the plan at appendix 1 be appropriated for planning purposes (to the extent that it is not already held for those purposes) in accordance with section 122 of the Local Government Act 1972 (“the LGA 1972”) to facilitate the carrying out of the development proposals for the area.
2. That Cabinet notes the significant recent progress with the Canada Water project with the grant of full planning permission for the Masterplan; the entering into of the 500 year head lease; and confirmation of the start of enabling works that will see the relocation of the petrol filling station and

the building a new electrical substation to serve the project and the wider area.

3. That Cabinet welcomes the announcement of the first pre-let for the project and that TEDI-London has chosen Canada Water as the location for their new engineering higher education campus.

## **BACKGROUND INFORMATION**

### *Summary*

4. This report recommends the appropriation for planning purposes of council owned land at Canada Water. The extent of the land is shown outlined and cross hatched on the plan at appendix 1; made up of the Surrey Quays Shopping Centre, the former Printworks, and various areas of highway and amenity land.
5. The land forms part of the site for which the council granted planning permission for redevelopment on 29 May 2020 under reference 18/AP/1604. The redevelopment is known as the Canada Water Masterplan (“the Masterplan”) and covers a total area of 21.27 hectares.
6. The Masterplan stands to impact on the rights of light of a number of neighbouring property interests, as is common for major development projects. The developer, British Land, has been seeking to agree terms with the owners of the affected properties since November 2019 but agreements remain outstanding on 108 interests. Accordingly, for the reasons explained in this report, the developer has come to the conclusion that the timely delivery of the Masterplan will only be possible with the use of statutory powers to overcome these potentially injunctable rights of light as well as other rights that may affect the land.
7. Appropriation describes the process whereby a council changes the purpose for which it holds land. Where land has been appropriated for planning purposes, statutory authority is conferred by section 203 of the Housing and Planning Act 2016 (“the HPA 2016”) to carry out development of the land notwithstanding that it involves interference with third party rights or interests, including rights to light such as those under consideration in this report. The beneficiaries of the overridden rights are entitled to compensation equal to any diminution in the value of their property caused by interference with their rights.
8. The council already has in place an indemnity agreement so that it will not be liable for the cost of any compensation.
9. Appropriation will therefore help facilitate the council’s long held ambition to redevelop land around the town centre at Canada Water in accordance with the planning permission granted in May 2020.
10. The council has in the past used its appropriation powers in connection

with a number of redevelopment projects, including other sites that form part of the Canada Water project. It is recommended in this case on the basis that it is appropriate and reasonable to use these powers for the reasons set out below.

11. Because it is not entirely clear for what purpose the land is currently held, it has been recommended that the land is appropriated for planning purposes to the extent that the land is not already held by the council for those purposes, so that there can be no doubt the provisions of section 203 of the HPA 2016 described below can be engaged.
12. As part of the land is not built upon, officers have taken the view that the land comprises open space for the purposes of s122(2A) of the LGA 1972 and have advertised the intention to appropriate the land. Advertisements were placed in Southwark News on 10 December 2020 and 17 December 2020. No objections were received.

### *Property rights*

13. It is not unusual for a property owner to enjoy rights over another party's property. For example: a restrictive covenant preventing something being done on a property to the benefit of another property; a right of light across one property in favour of another property; or, a right of way over property. But these rights are not always easy to identify or interpret and are not necessarily officially recorded.
14. Where a property right is interfered with, the beneficiary of the right can apply to court for an injunction to prevent the interference or damages to compensate for such interference. If appropriate, the court may order a stop to the development that would cause the interference.
15. In situations where it is intended to carry out building work this can create significant risk for developers. Despite their best efforts, they may find their project subject to delay and significant additional cost as they deal with court actions. This can include situations where projects that would deliver significant public benefits are prevented from proceeding because of the risk that a person entitled to rights of light may seek and/or obtain an injunction.
16. Parliament has recognised the potential difficulty of such scenarios and has provided a power to overcome this risk by granting statutory authority for relevant building work to be carried out notwithstanding the interference with rights of light. This report recommends the use of the power to override such rights in order to facilitate the carrying out of the Masterplan.
17. In the case of qualifying council owned land that has been acquired or appropriated for planning purposes and has planning consent for development, section 203 of the HPA 2016 allows rights to be overridden. Section 204 of the HPA 2016 makes the council liable to pay

compensation to the owners of interests overridden by section 203, but as stated above the council's costs are indemnified by the developer.

18. The ownership history of the subject land is involved and the original acquisition power uncertain. Although it is clear that the land is held within the general fund and not for housing purposes, it is not clear whether the land was acquired, or has subsequently been appropriated, for planning purposes. This report therefore recommends appropriation to the extent that the land is not already held for planning purposes.

#### *Regeneration at Canada Water*

19. In the London Plan, Canada Water is defined as an Opportunity Area with significant potential for mixed use regeneration and intensification of existing commercial sites, focused on the transport interchanges at Canada Water and Surrey Quays. A suggested capacity for 2,000 new jobs and a minimum of 3,300 new homes is given for the period up to 2031.
20. It has long been a council objective to see the comprehensive redevelopment of the town centre at Canada Water. Over a number of years, the council has put in place a policy framework to bring this about; including the Canada Water Area Action Plan ("the CWAAP") that was adopted in November 2015. The authority has also used its extensive property holdings in the area to facilitate development.
21. In March 2018, cabinet agreed a recommendation to enter into a Master Development Agreement ("MDA") with British Land ("BL"). The MDA was entered into in May 2018 and created the legal framework for the redevelopment of the Masterplan site at Canada Water.
22. All of the land that is the subject of the MDA is owned freehold either by the council or BL. All of the council freehold land (other than some small sections of amenity land and highway) is let to BL under a number of long leases.
23. The MDA describes a process whereby, following satisfaction of various pre-conditions, there will be a series of property transfers between the council and BL. These result in the council having sufficient legal interest over the MDA area to be able to grant to BL a long leasehold interest of the entire site. The pre-conditions having been met, the long leasehold interest of the site was granted to BL on 16 December 2020. This lease is the ownership basis that will enable BL to deliver the regeneration project.
24. In terms of the BL freehold land, which is shown outlined and hatched on the plan at appendix 1, the March 2018 cabinet report included a recommendation that the council should take a long leasehold interest in this land pursuant to section 227 of the Town and Country Planning Act 1990 ("the TCPA 1990"). For the reasons set out in the report to cabinet at that time, it was determined that the acquisition by the council of an

interest in the land would contribute to the proper planning of the area. The grant of a lease of this land to the council in December 2020 pursuant to the March 2018 resolution means that the land has been acquired for planning purposes and the power provided by section 203 of the HPA 2016 is engaged in relation to that land.

25. If cabinet agrees the recommendation in this report, it will mean that the council-owned freehold land will be appropriated for planning purposes and will thereby be held for the same purposes as the interest acquired by the council in the BL freehold land. Accordingly, the council's interests in the whole Masterplan site will be held for planning purposes and section 203 of the HPA 2016 will apply to the entirety of the building works comprised in the Masterplan.
26. At the time of entering into the MDA, BL also gave the council an indemnity to underwrite any costs incurred by the council should the council use its statutory powers to acquire rights in support of the project. This means that any costs that might arise from compensation payable under section 204 of the HPA 2016 as a result of the Masterplan will not fall to the council.
27. Since signing the MDA, BL has worked to progress the Masterplan, including obtaining planning consent for the scheme, which was granted on 29 May 2020. A section 106 agreement was entered into on 28 May 2020 to secure the council's strategic objectives for the Masterplan and to mitigate the impacts of the development. The planning permission is a hybrid, with detailed permission granted for the initial development plots in phase 1 and the remainder of the permission granted in outline.
28. The decision to grant permission was the subject of a claim for judicial review, but in October 2020 the High Court refused permission for the claim to be pursued. The Masterplan is now free from challenge and preliminary works, including the construction of the interim petrol filling station and enabling works to the rear of the Printworks, have already begun on site.
29. The Masterplan will bring forward the comprehensive redevelopment of a 21 hectare brownfield site in a designated Opportunity Area. The Masterplan will create a new Major Town Centre, with a range of retail, office, leisure and community uses, as well as new housing. A minimum of 2,000 new homes will be provided, with the potential for up to 4,000 new homes if BL opts for a more residentially-focused scheme, on a fully policy compliant basis in terms of affordable and social rented units. There will be enough office and workspace to provide between 12,000 and 30,000 new jobs and BL has committed to a programme of employment and training initiatives. The section 106 agreement also includes an obligation to provide affordable retail and affordable workspace. The retail offer on the site will be expanded to more than three times its current size and will be more diverse than at present, with a much larger food and drink offer, a range of sizes and types of units, and a stronger focus on supporting the evening economy. This is consistent

with the council's objective of creating a vibrant and distinctive town centre which would become a destination. The scheme will include commercial and council leisure facilities, and the flexible nature of the masterplan means there will be scope within the project (subject to funding) to respond to any emerging needs for community infrastructure.

30. In transport terms, the Masterplan will deliver a number of the ambitions of the council's development plan. A new network of streets and public places will transform the pedestrian environment across the site for the benefit of new and existing residents. The expansion of cycle hire throughout the site and a package of investment to address the additional demand for buses, potential crowding at Canada Water station and to deliver a new station entrance at Surrey Quays will help to address the additional travel demand created by the development. Alongside the reduction in town centre car parking, these measures will help to facilitate a modal shift away from private car use.
31. The project will generate significant planning benefits through the obligations contained in the section 106 agreement and the payment of Community Infrastructure Levy, as well as giving an estimated £100 million per year boost to the local economy. The officer's report to the council's Planning Committee in September 2019 concluded that the range, scale and extent of the benefits of the Masterplan, and its overall conformity with the development plan, significantly outweigh any harm.

*Property rights potentially interfered with by the regeneration at Canada Water*

32. In this case it is rights of light over the Masterplan site in favour of adjacent properties which have been identified as the primary reason for ensuring that section 203 of the HPA 2016 will be engaged. But acquisition and appropriation by the council of land interests in the Masterplan site for planning purposes will also result in any other rights being overridden when the Masterplan is carried out, subject to compensation for any diminution in value.
33. A right of light is enjoyed by one property against another. It can arise either through express grant or through long use i.e. by the light travelling to a window in a building for many years across a particular route. It is the latter category which is most relevant here.
34. Wherever possible, agreements about the payment of compensation to property owners whose rights of light are affected should be reached in advance of development. It is acknowledged that this may not always be practical or possible despite the best endeavours of a developer.
35. In this case, BL has retained specialist rights of light surveyors GIA to advise on the impacts of the Masterplan on light levels enjoyed by neighbouring properties. GIA have identified 110 properties which benefit from rights of light that will be infringed by the Masterplan. The extent of the interference with these rights will not be the same for every property

but there are potential injunction risks associated with the rights of light enjoyed by all of these properties.

36. BL has issued engagement letters to all the affected properties on three separate occasions (in November 2019, February 2020 and July 2020). As a result, BL is now in active dialogue with 57 of the affected properties. Compensation has been agreed with two of these. BL is in the process of agreeing compensation with a further three. In respect of a further four properties the technical analysis has been agreed and initial compensation offers have been made. In respect of the remaining properties, specialist surveyors have been appointed and are in the process of agreeing the technical analysis ahead of issuing formal compensation offers.
37. Although these negotiations will continue in good faith and BL has agreed to honour the terms of all agreed offers (subject to the necessary contracts being agreed), it is not realistic to conclude that there is any prospect of agreements being reached with all affected properties to enable the Masterplan to proceed in accordance with BL's development programme. Following the refusal of permission by the High Court for the judicial review claim to proceed, preliminary works have already begun on the site and BL is intending to commence substantive works of construction in spring 2021.
38. The existence of these potential injunction risks associated with the rights of light enjoyed by neighbouring properties is therefore a major impediment to the delivery of the Masterplan in accordance with the preferred construction programme and consequently the realisation of the significant public benefits that the Masterplan will bring to Canada Water. In addition, there may be other rights that will be affected by the development. In these circumstances, it is considered to be a proportionate use of the Council's powers to seek to override third party interests through the acquisition and appropriation of the Masterplan site in order to engage section 203 of the HPA 2016.

## **KEY ISSUES FOR CONSIDERATION**

39. The recommendation in this report is that cabinet agrees to appropriate the council freehold land shown outlined on the plan at appendix 1 for planning purposes (to the extent that the land is not already held by the council for those purposes). Doing so will result in section 203 of the HPA 2016 applying to that land.
40. Following the council's acquisition of a long leasehold interest in the BL freehold land shown outlined and hatched on the plan at appendix 1 in December 2020 pursuant to the cabinet's resolution of March 2018, appropriation will result in section 203 of the HPA 2016 applying to the whole of the Masterplan site, enabling the regeneration of Canada Water (and the delivery of its significant public benefits) to proceed notwithstanding that it would interfere with the rights and interests described above. This would be consistent with the council's long held ambition to see the

comprehensive redevelopment of land at Canada Water.

41. The courts have held that appropriation is the equivalent of compulsory purchase of the council's own land and that, accordingly, the same degree of 'requirement' or 'necessity' should apply. In coming to its decision, cabinet should therefore be satisfied that there is a compelling case in the public interest that the powers conferred by section 203 of the HPA 2016 be engaged in order that the Masterplan can be carried out in accordance with the proposed development timetable. The criteria to be applied in deciding whether there is such a compelling case are set out and evaluated below.

*Facilitation of the Masterplan*

42. Acquisition and appropriation of the Masterplan land and the consequent engagement of section 203 of the HPA 2016 should facilitate the carrying out of development, redevelopment or improvement on or in relation to the land.
43. In this case, the Masterplan for which planning permission was granted by the council in May 2020 cannot be carried out in full unless those entitled to relevant rights or interests agree to infringements of those rights or interests, or the infringements are authorised by section 203. In order for BL to commit to the commencement of substantive building works in spring 2021, it is necessary to remove the significant risk of an injunction being granted to restrain the carrying out of the Masterplan.

*Development is in the public interest*

44. The development, redevelopment or improvement should contribute to the promotion or improvement of the economic, social or environmental wellbeing of the council's area. Furthermore, it should be the case that these benefits could not be achieved without giving rise to some or all of the infringements, so that it is in the public interest that the land be appropriated by the council to facilitate the development.
45. The history of the council's ambitions for Canada Water and the significant public benefits of the Masterplan are summarised above. Planning permission was granted for the Masterplan in May 2020 in order to bring forward the comprehensive redevelopment of a 21 hectare brownfield site. The development of this site has long been envisaged in the councils' local plan. The Masterplan is considered to meet the requirement in the council's development plan to create a new town centre for Canada Water, to deliver new homes, and to create jobs and support the economic prosperity of the area. It is a sustainable form of development, optimising the use of a brownfield site in a highly accessible area which has been designated as an Opportunity Area where significant development can be expected. The range, scale and extent of the public benefits of the Masterplan, including those secured in the section 106 agreement, and the project's overall conformity with the council's local plan and the London Plan, significantly outweigh any harm.

46. It is therefore considered that the appropriation of the relevant land for planning purposes so as to engage section 203 of the HPA 2016 will facilitate the carrying out of the Masterplan, which will contribute to the improvement of the economic, social and environmental wellbeing of the council's area.
47. BL has confirmed to the council that it is not feasible to implement the Masterplan in such a way as to deliver the full extent of these public benefits whilst also avoiding the rights of light infringements. In particular, there is no evidence that a viable scheme could be delivered which meets the council's aspirations for the site derived from its planning policies whilst avoiding the rights of light infringements. The benefits described above result from the comprehensive redevelopment of the area and it would be detrimental to the council's regeneration objectives if the Masterplan were to be delayed or stymied.

*Reasonable efforts to reach agreements with owners*

48. As set out above, BL has retained GIA to advise on the impacts of the Masterplan on light levels enjoyed by neighbouring properties. 110 properties have been identified which benefit from rights of light that will be infringed by the Masterplan. Engagement with the affected owners has been ongoing for more than a year. All owners have been contacted by letter on a minimum of three separate occasions and negotiations will continue in good faith following the appropriation.
49. It is considered that all reasonable efforts have been made to secure a release of the relevant rights by agreement, but that despite those efforts it is not realistic to conclude that there is any prospect of agreements being reached with all affected properties in order to remove the injunction risk and enable the Masterplan to proceed in accordance with BL's development programme.

*Human rights considerations*

50. Cabinet will need to be satisfied that the purposes for which the relevant land is to be appropriated and for which rights are to be overridden sufficiently justify interfering with the human rights of those with interests in the land affected.
51. Pursuant to the Human Rights Act 1998 and Article 1 of the First Protocol ("A1P1") of the European Convention on Human Rights, every person is entitled to peaceful enjoyment of their possessions. Appropriation will result in a statutory authorisation of the interference with a relevant right or interest and will therefore involve interference with a person's rights under A1P1.
52. A1P1 permits the deprivation of an individual's possessions where it is in the public interest. Cabinet must therefore balance the public interest and

the individual's rights and be satisfied that any interference with the individual's rights is necessary and proportionate (i.e. no more than is necessary to achieve the identified legitimate aim). A fair balance must be struck between the rights of the individual and the public interest.

53. In this case it is considered that the public interest in facilitating the Masterplan outweighs the rights of the affected individuals to peaceful enjoyment of their possessions and that the proposed appropriation of the land and engagement of section 203 of the HPA 2016 amounts to a proportionate interference.
54. The public benefits of the Masterplan are set out above and the planning implications of the Masterplan were fully taken into account before the council granted planning permission for the Masterplan in May 2020. It is also relevant to proportionality that compensation will be available under section 204 of the HPA 2016 to those who are deprived of their rights.

### *Conclusion*

55. For the reasons described above, it is considered that the criteria for determining whether there is a compelling case in the public interest that the powers conferred by section 203 of the HPA 2016 be engaged have been satisfied and that the benefits of the proposed development of the land justify and outweigh the interference with the specified rights and interests.

### **Consultation responses**

56. In December 2020, BL wrote to owners of the 110 identified properties that benefit from rights of light that will be infringed by the Masterplan to inform them that the council was intending to appropriate the land in order to engage section 203 of the HPA 2016.
57. The council also placed an advertisement of its intention to appropriate the land in a local newspaper on 10 and 17 December 2020, as referred to in paragraph 12 above. No objections were received.

### **Policy implications**

58. As referred to elsewhere in this report, the council in November 2015 adopted the CWAAP, which sets out planning guidance for the redevelopment of the sites referred to in this report for the period up until 2026. Appropriating the land for planning purposes will support delivery of the consented Masterplan scheme over a 15 year period, which has the capacity to deliver the CWAAP vision and objectives for this area.

### **Community impact statement**

59. 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.
60. Relevant protected characteristics for the purposes of the Equality Act are:
- Age
  - Disability
  - Gender reassignment
  - Pregnancy and maternity
  - Race
  - Religion or belief
  - Sex
  - Sexual orientation.
61. Numerous equalities impact assessments have been completed at Canada Water in recent years as part of the council's plan-making process, specifically those underpinning the Core Strategy (2011) and the CWAAP (2013 and 2015). Most recently, an integrated impact assessment has been completed for the emerging New Southwark Plan, which includes an explicit objective on "promoting social inclusion, equality, diversity and social cohesion". Broadly speaking, these assessments conclude that the policy framework established for Canada Water will have positive impacts for those with protected characteristics, although transport issues, design matters and fear of crime are all acknowledged as themes that could lead to adverse impacts for groups with particular protected characteristics.
62. BL's equalities assessment for the Masterplan proposals anticipated that equalities impacts might arise in terms of the following protected characteristics: age, race, disability and ethnicity. Potential impacts were identified in terms of displacement of existing uses/ users; during construction; during the operational stage and in terms of the design/ physical elements of the scheme. A range of positive impacts were also identified, consistent with the public benefits of the Masterplan summarised in this report.
63. Given the phased approach to the Masterplan and the duration of the construction programme, the equalities assessment will be an iterative, ongoing process. In considering the recommendations of this report, the cabinet must have due regard to the possible equalities impacts of those recommendations and of the Masterplan that will be facilitated by the appropriation and the consequent engagement of section 203 of the HPA

2016 in order to discharge the public sector equality duty. This is an ongoing obligation.

### **Resource implications**

64. Work arising from the appropriation is considered part of the normal workload for the Regeneration North team and will give rise to no new resource requirements.

### **Legal implications**

65. See the concurrent report of the Director of Law and Governance below.

### **Financial implications**

66. British Land has given the council an indemnity in relation to any compensation that might arise as a result of the appropriation. In the circumstances therefore there are no financial implications for the council arising from the report recommendation.

### **Consultation**

67. There have been extensive internal consultation between officers in regeneration and legal services in the preparation of this report.
68. The owners of the affected properties which benefit from rights likely to be subject to injunctable infringements have been consulted as set out above.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Director of Law and Governance**

69. The report recommends the appropriation of council owned land for planning purposes.
70. 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 LGA 1972 to appropriate land within its ownership for any purpose for which it is authorised to acquire land by agreement, where it is no longer required for the purpose for which it is held immediately before the appropriation.
71. The land must already belong to the council. Paragraph 4 of the report confirms that the land to be appropriated is in the council's freehold ownership.
72. The land must be no longer required for the purpose for which it is currently held. The report confirms that the purpose for which the land is currently held is not definitively known.

73. The purpose for which the council is appropriating the land must be authorised by statute. It is proposed that the land is appropriated for planning purposes (to the extent that it is not already held for those purposes). Section 246 of the TCPA 1990 defines such purposes as, inter alia, those for which land can be acquired under sections 226 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 section 226 of the TCPA 1990.
74. The purposes for which a council can acquire land pursuant to section 226 of the TCPA 1990 include a purpose “which it is necessary to achieve in the interests of proper planning of an area in which the land is situated.” Section 226 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 section 226 or section 227, the acquiring authority must be satisfied that the development proposals for the land in question are likely to “contribute to the achievement of any one or more of the following objectives – (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; and (c) the promotion or improvement of the environmental well-being of their area.”
75. In this case, appropriation will facilitate the carrying out of the consented Masterplan scheme. The report describes the benefits of the Masterplan, which it is considered will contribute to the improvement of the economic, social and environmental wellbeing of the council’s area.
76. Section 203 of the HPA 2016 came into force on 13 July 2016. It replaced section 237 of the TCPA 1990 and contains a power to override easements and other rights.

Section 203 states:

“(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).”
77. 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 is for purposes related to the purposes for which the land was appropriated, in this case planning purposes. By section 204, those third party rights are converted into an entitlement to compensation to be calculated in accordance with sections 7 and 10 of the Compulsory Purchase Act 1965.
78. Section 203 also requires that the authority could acquire the land compulsorily for the purposes of the building or maintenance work (if it land were not already owned by the authority). Under the powers conferred by section 226(1)(a) of the TCPA 1990, the council could (on being authorised to do so by the Secretary of State) acquire the land compulsorily if they think that acquisition will facilitate its development. In this case, it is the view of officers that acquisition would facilitate the redevelopment of the Masterplan site.
79. This report confirms that the building work being done on the land will be done in accordance with planning permission. The building work is for purposes related to the purposes for which the land is proposed to be appropriated. Once the land has been appropriated, that work will be authorised even where it interferes with third party rights.

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

80. The Strategic Director of Finance and Governance notes the recommendation to appropriate land as described in order to facilitate the development of the Canada Water area. There are no direct financial implications arising from the appropriation. It is noted that an indemnity agreement is in place to ensure that any compensation payable will not fall to the council.

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Development Management planning application: 18/AP/1604: Full Planning Application	160 Tooley Street London SE1 2QH	James Oates <a href="mailto:james.oates@southwark.gov.uk">james.oates@southwark.gov.uk</a>
<b>Link: (please copy and paste into browser)</b> <a href="http://moderngov.southwark.gov.uk/documents/s84680/Report%20Land%20bounded%20by%20Lower%20Road%20Redriff%20Road%20Quebec%20Way%20and%20Surrey.pdf">http://moderngov.southwark.gov.uk/documents/s84680/Report%20Land%20bounded%20by%20Lower%20Road%20Redriff%20Road%20Quebec%20Way%20and%20Surrey.pdf</a>		
Canada Water Area Action Plan	160 Tooley Street London SE1 2QH	James Oates <a href="mailto:james.oates@southwark.gov.uk">james.oates@southwark.gov.uk</a>
<b>Link: (please copy and paste into browser)</b> <a href="https://www.southwark.gov.uk/planning-and-building-control/planning-policy-and-transport-policy/development-plan/area-action-plans-section/canada-water-aap">https://www.southwark.gov.uk/planning-and-building-control/planning-policy-and-transport-policy/development-plan/area-action-plans-section/canada-water-aap</a>		
Report to Cabinet: Canada Water Master Development Agreement	160 Tooley Street London SE1 2QH	James Oates <a href="mailto:james.oates@southwark.gov.uk">james.oates@southwark.gov.uk</a>
<b>Link: (please copy and paste into browser)</b> <a href="http://moderngov.southwark.gov.uk/documents/s74525/Canada%20water%20Report.pdf">http://moderngov.southwark.gov.uk/documents/s74525/Canada%20water%20Report.pdf</a>		

## APPENDICES

No.	Title
Appendix 1	Plan – land at Canada Water

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Johnson Situ, Climate Emergency, Planning and Transport	
<b>Lead Officer</b>	Eleanor Kelly, Chief Executive	
<b>Report Author</b>	James Oates	
<b>Version</b>	Final	
<b>Dated</b>	8 January 2021	
<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 Governance	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>		8 January 2021



**KEY**

 LBS LAND

 BL LAND

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**TITLE.** APPENDIX 1

Council Freehold Land  
within the BL Masterplan.

**DRAWING No.**  
LBS\_3981(Layout1)

**DRAWN BY.**  
MJMANKTELOW  
Property Division

**DATE.**  
2/12/2020

NOT TO  
RECOGNISED  
SCALE



<b>Item No.</b> 17.	<b>Classification:</b> Open	<b>Date:</b> 19 January 2021	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Volunteering policy	
<b>Ward(s) or groups affected:</b>		All wards: Council staff	
<b>Cabinet Member:</b>		Councillor Alice Macdonald, Communities and Equalities	

### **FOREWORD – COUNCILLOR ALICE MACDONALD, CABINET MEMBER FOR COMMUNITIES AND EQUALITIES**

Volunteers make a huge contribution to our borough. Covid has shown that more than ever; over 64 mutual aid groups have been formed and many more people are volunteering for the incredible voluntary and community organizations we have across our borough.

Southwark also has about 500 people who volunteer each year in a range of roles at the council making another significant contribution to our communities. Volunteering takes a range of forms from mystery shoppers to supporting at community events or taking part in reading schemes in local libraries. The purpose of this volunteer policy is to update how we, as a council, ensure that our approach to volunteering is open, transparent and fair, that volunteers have the right support and that across the council staff are equipped and able to support volunteers.

Volunteering has many benefits – it can provide valuable work experience, it can help increase wellbeing and address loneliness. We will ensure that volunteering is mutually beneficial for both the volunteer and the council and also be clear that it is never a substitute for paid work.

We are particularly keen to promote volunteering to specific groups for example young people affected by unemployment.

In 2021, working with our VCS partners like Community Southwark, we will be updating our broader volunteering strategy and approach to ensure that we continue to support volunteering across our borough. This policy will be updated to reflect any changes in this strategy.

This policy will also ensure we know more about our volunteers. This will include an annual survey of our volunteers and understanding who is volunteering with us so we can ensure we are reaching all groups in our communities. We will include in our annual engagement report information on

equalities monitoring information. We will ensure all staff know about the policy beginning with a civic ceremony to launch it officially.

I hope this policy will help increase knowledge of the scope of volunteering opportunities available at Southwark and increase awareness of the principles of good practice to support volunteers.

## **RECOMMENDATIONS**

### **Recommendations for the cabinet**

1. That the draft volunteer policy set out in this report be agreed.
2. That the council adopts the following key commitments:
  - Our recruitment will be open, transparent and fair so that all residents have equal access to the opportunities available
  - All volunteers will be provided with a volunteer agreement which will set out the purpose of the role, describe the tasks and hours and days of volunteering role and any learning and development goals for the volunteer
  - The volunteer will have a named supervisor and be supported to deliver their role and provided with an induction to the organisation and a volunteers handbook
  - The volunteer will be reimbursed for travel and provided with expenses for lunch where they are required to work more than four hours.
3. That cabinet notes that volunteering is not a substitute for paid work and volunteers are never a substitute for a paid member of staff. The process of involving volunteers in our work should be mutually beneficial and the systems set out in the handbooks should support us to achieve this.
4. That cabinet notes that the criteria for volunteering includes work that is a short term project or initiative to carry out a specific task or time limited exercise, a new idea being tested, some additional research for a team, or additional service that staff are unable to deliver, or bringing an additional skill to the service. Volunteers can also act as independent advocates or support individual members of the community.
5. That cabinets notes the key role volunteering has in supporting people build their confidence and grow their wellbeing and Southwark can play a key role in this for residents though they way in which we construct and develop our volunteering opportunities.
6. That cabinet notes the guidance for managers which guides services in how to deliver best practice for volunteer roles and the volunteer handbook which sets out the rights and responsibilities for the volunteer.
7. That cabinet agrees that the next steps should be to:
  - Sign the volunteer best practice charter with a civic ceremony

- Include in the engagement annual report a section on volunteering in the council which also captures the equalities monitoring information about our volunteers
  - Use the annual review to ensure that our work on volunteers with the council is aligned with the Volunteer Strategy Action Plan.
  - Highlight to teams Southwark Stars awards and Civic awards which enable us to publically celebrate the commitment volunteers make
  - Draft a chapter in the manager's guidance on safeguarding when young people are volunteers
  - Work with colleagues and external organisations such as Community Southwark and Thomas Carlton Centre to develop an accreditation process for our volunteers.
8. That cabinet notes that the measures outlined in this report and the handbook and guidance addresses the actions required because of the BDO audit of volunteering at the council.
9. That cabinet notes that the policy and handbook underpin the principles in the volunteering strategy which are as follows:
- *Volunteering must be voluntary* – It must be a choice freely made by individuals under no duress.
  - *Volunteering is not a substitute for paid work* – The contribution of volunteers must add value but not be a substitute for work that should be paid.
  - *Volunteering is not free* –Volunteering is time freely given but it is not cost free. For volunteering to be meaningful volunteers need to be well supported and investment in volunteer management is important and valued. Volunteers should not be at a financial loss because of volunteering and out of pocket expenses where possible should be reimbursed.
  - *Volunteering is mutually beneficial* – Volunteering must be both a positive experience for the individual and also help to further the aims of the organisation.

### **Recommendation for the Leader of the Council**

10. That authority be delegated to the cabinet member for equalities and communities to approve any final amendments to the volunteer handbook or guidance.

### **BACKGROUND INFORMATION**

11. This policy describes how Southwark will contribute to the delivery of the joint VCS and Council vision for volunteering in Southwark in its volunteering practice. The vision is:

*'We want a Southwark where volunteering is easy to access, meaningful, mutually beneficial to all involved and valued by everyone in the borough.'*

12. This vision is set out in the Council's volunteering strategy that forms the framework for how we will model best practice in the borough and the steps needed to fulfil the vision.
13. Southwark has a great history of people volunteering their time for the benefit of the Southwark communities; from the early days of the Settlements and the Boys Clubs youth provision to more recent volunteering during the London Olympics in 2012, and the mushrooming of mutual support as communities responded to local need during the COVID19 pandemic and lockdown. With over 64 mutual aid groups forming during the lockdown, volunteering remains an important part of our community fabric.
14. People giving their time free have enabled the voluntary and community sector to continue to meet the needs of the communities they serve and search for innovative solutions to societal problems. In 2015-16 there were over 44,000 filled volunteer and trustee positions in the borough. In total volunteers contributed over 5 million hours of their time - if this number was costed at the London living wage their contribution would annually cost over £47million.
15. While many people volunteer for charities and in community groups Southwark also has about 500 people who volunteer each year in a range of roles at the council making another significant contribution to the wellbeing of our communities and building the social capital that communities can draw on.
16. With such a variety of services provided by the council we are in a unique place to offer a wealth of opportunity to people wishing to volunteer. Recognising that there are almost as many reasons for people to wish to volunteer, as there could be opportunities, the key drivers are often about people wanting to use their skills or learn new ones; some people want to have more activity and social engagement in their lives and volunteer to bring new experiences into their life. People volunteer from all age groups some informally and others in a more formal and structured way.

## **KEY ISSUES FOR CONSIDERATION**

17. This policy will support the delivery of the following outcomes of the Volunteering strategy:
  - Increase knowledge of the scope of opportunities available
  - Increase awareness of the principles of good practice.
18. Adopting this policy and the procedures will enable the council to sign Community Southwark's Charter of best practice and model best practice in the borough.
19. The volunteering strategy and action plan is due for review in 2020. Any amendments will be reflected in updates to this policy. It is not anticipated

that the principles of how we support volunteers in the council will need to change significantly and will continue to be based on principles of openness, fairness and equal opportunity; as well as ensuring we have the right mechanisms in place to ensure that the experience is mutually beneficial.

20. The strategy review may result in a shift in emphasis of volunteering for different demographic target groups and this would be reflected in any volunteer recruitment strategy.
21. This policy has been written to ensure that there is sufficient flexibility in our principles and practice to reflect the wide range of roles offered to potential volunteers from one off trading standards test purchasing activity to running regular reading clubs in our libraries or working to help make our events safe, or to support a particular project like our diabetes champions.
22. An audit of volunteering in Environment and Leisure services concluded that the effectiveness of our controls linked to safe guarding, payments and risk assessment as moderate as a consequence of an out of date volunteering strategy and risk assessments, a lack of clarity on the review of DBS checks and missing supporting documents.
23. It found that there is a risk of inconsistent volunteer practices across the council, lack of awareness of roles and responsibilities and a lack of sharing of lessons learned across the services.
24. BDO the auditors made a number of recommendations:
  - Undertake a review of the current Volunteering Strategy 2013-18 to bring this in line with the council's current strategic objectives and outcomes (corporate strategy).
  - Assign ownership to the council's overall volunteer programme.
  - Introduce a single but flexible council wide volunteer policy that supports the strategy or a coordinated approach to volunteer management across the services for sharing of good practice.
  - Produce a volunteer handbook or its incorporation in existing service handbooks.
25. In response the communities team have advised or taken the steps outlined below:
  - The strategy was reviewed in 2016/17 with a new strategy in place for 2017 to 2020 agreed by IDM in February 2018. Oversight is through a strategy steering group with the lead partner Community Southwark who are commissioned to provide volunteer service for the Borough. The strategy identifies promoting best practice as a core action and CS have produced a charter for organisations to sign up to.
  - With over 500 volunteers in a typical year it is not possible for one lead, however we have established a working group that brings leads in

different departments together on a regular basis and have drafted the guidance and handbook attached which we will update as best practice is amended.

- Drafted the handbooks and guides and set out the main objectives for our volunteer recruitment and support practice in this cabinet report
26. In particular the managers' handbook in Appendix 1 sets out the need for developing risk assessments, DBS checks where appropriate, and sets out systems for expense claims; all issues raised through the audit. The how tos in the managers guidance have drawn on best practice across the council again as recommended in the BDO audit.
  27. The Managers handbook sets out the process for recruitment and appointment processes that should address the issues raised by BDO on issues like previous convictions and DBS.
  28. As recommended by BDO this policy includes a council wide instruction about expenses and the guidance includes templates that will enable teams to process claims in a straightforward way.
  29. The recommendation by BDO relating to task outlines has been captured by the introduction of the volunteer handbook and volunteer agreement.
  30. We have pulled together a working group to ensure we have opportunities to learn from each other. Community Southwark and their volunteer manager have been and will remain a critical friend in this process ensuring that we remain on top of new trends and best practice, alongside colleagues from HR.

### **Policy implications**

31. By offering quality volunteering opportunities at Southwark Council for Southwark residents we believe that this will help us to achieve the following Southwark fairer future principles:
  - Southwark Fairer Future Values - working for everyone to realise their own potential
  - Southwark Principles - Working for everyone to realise their potential.
32. In addition, the council sets out our ambition to grow the economy by supporting local businesses, investing in those setting up new businesses and tackling low pay and inequalities. The Council Plan sets out how we want to make sure that all Southwark residents have the opportunity to achieve their potential and that low income or lack of qualifications does not hold people back from securing good work. We will continue to invest in skills and employability, to ensure residents are equipped with the tools they need to find employment and to progress to better-paid work. Our volunteering policy supports this ambition.

33. Our guidance for managers (Appendix 1) and volunteers handbook (Appendix 2) and the new measures and process outlined in both also contribute to positive outcomes in investors in people.
34. With regard to young people strengthening our volunteer experience and commitment to encouraging people to volunteer will also support some of the ambition in both the youth service review and Southwark Stands Together to:
  - Improve the experience of young people with respect to meaningful work experience;
  - Develop networks within and beyond school that provide advice, guidance, and exposure to opportunities that helps them develop their aspirations and confidence and understanding linked to the world of work.
35. This policy supports our climate strategy, which sets out the importance of volunteering to delivery of our ambitions to meet the challenge of this emergency.

### **Community impact statement**

36. In May and June 2019, a short consultation was undertaken to establish what teams in the Council have volunteers and understand more about volunteer management in their service. Through this, we were able to capture some basic information about numbers of volunteers and the processes employed to manage them. It emerged through this that many of the teams that have volunteers indicated that they do not have training in managing volunteers.
37. In January 2020, we held a workshop with the key officers who work with the volunteers. During this workshop, all officers were keen to have a more supported and standardised policy for working with volunteers, that sets out the guidelines but which manages to set out the basic principles from which teams could build practice that suited their individual requirements for volunteers. This reflected well the findings of BDO and facilitated the introduction of standards that would enable the council to meet the charter standards.
38. The teams also felt it would be beneficial to hold quarterly meetings, to discuss any issues or news from their volunteer management duties. The consensus was that they felt isolated and not supported in their volunteer management role and regular meeting would help them to speak to others carrying out the same role and share experiences and solutions.
39. Key stakeholders in the workshop event where;
  - Human resources
  - Communities Southwark

- Communities
  - Officers from each of the teams with volunteers; Libraries, Environment, Tenant Management, Child Sexual Exploitation, Adult and Childrens Services, Communities, Youth Offending Team, Trading Standards.
40. The scope of the workshop was to explore the following areas:
- Understanding best practice
  - Volunteering from HRs perspective
  - How Southwark Council needs a standardised process
  - Who our volunteers are
  - What we can do to make volunteering a good experience
  - Training for those who manage volunteers
  - The benefits of coming together to discuss the way forward
  - Improving services to better meet volunteering management best practice
  - The development of a single volunteering policy.
41. The Draft Volunteering Handbook and Management Guidance were distributed for comment and further recommendations. Appendices for the document have also been developed, to provide a standard process in which we will engage and manage our future volunteers.
42. All volunteers will be required to complete a Southwark Equalities monitoring form, which will help us to analyse the protected equalities characteristics and support the council to monitor how the use of volunteering is fair and supports equal opportunities.
43. Once the new measures are in place for six months the communities team will carry out a short survey of volunteers to understand the impact of the new processes. This will be repeated on an annual basis to ensure that the policy remains a useful tool to deliver best practice for our volunteers; and supports volunteers build their confidence and support the growth of their wellbeing.
44. Our initial analysis of the impact on communities suggests that
- We want to encourage young people to volunteer to develop a culture of active citizenship.
  - The Age friendly agenda and results from our work so far have indicated that older people need more opportunities to get involved in volunteering tackling isolation and supporting opportunities to meet people and have fun.
  - Tackling Loneliness and Social Isolation in Southwark recommends volunteering as a good way to counteract feelings of loneliness.
  - We need to liaise with the Disability Forum that is held by Community Southwark and Southwark Disability Association to find out what disabled people feel the roles best suited to them are and think about

- how we can open our opportunities to everyone.
  - Volunteering is proven to alleviate feeling of isolation and loneliness and should be promoted to the LBGTQI + community through the LGBTQ Network.
45. Volunteering opportunities should be promoted to communities from the equalities protected characteristics.
- Southwark's lesbian, gay, bisexual, and transgender (LGBT) network should be more proactive in encouraging take up of opportunities
  - Young people affected by unemployment and lower opportunities to gain work experience, take up of volunteering opportunities by young people
  - Age will not be an issue for people who volunteer at Southwark Council as we understand that people of all ages can benefit from volunteering
  - Black Asian and Minority Ethnic residents who are looking for work experience to populate CVs in a field of work that they have not had the opportunity to enter into previously
  - Disabled residents that may need DSE, DDA support to carry out a volunteer opportunity
  - People from ethnicities that reflect the population of Southwark, who would benefit from volunteering opportunities.
46. Key areas where the need to improve access and quality of opportunities are identified as:
- Southwark Website
  - Information to volunteer agencies
  - Opportunities advertised on the Source for distribution
  - My Southwark and social media
  - Southwark Publications
47. An Equality Analysis is set out at Appendix 3 this notes the positive impact of this policy. It goes on to note that Southwark Council would like to lead by example and implement the recommendations set out in the report from BDO. To produce and adopt policies and processes that will allow us to achieve the Southwark Good practice Charter that is overseen by our partners Communities Southwark and conforms to the NCVO guidelines of best practice in Volunteer Management.

### **Resource implications**

48. All teams will need to set aside sufficient resources within their existing budgets to recompense volunteers as set out in the guidance. This is for fares within Southwark and for lunches where the volunteer works for more than half a day, in addition to setting aside sufficient resources for the training of volunteers both so they are able to carry out their duties but also grow in experience and knowledge.

## SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

### Director of Law and Governance

49. The report seeks the cabinet's approval of the council's Volunteering Policy.
50. The council is a "best value" authority for the purposes of the Local Government Act 1999. It is under a duty 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. The Secretary of State has issued guidance to assist local authorities to perform this duty and specifically requires that councils should be responsive to the benefits and needs of voluntary and community sector organisations, as well as small businesses. The Volunteering Policy proposed for adoption here would seem to be facilitative of, or incidental to, the achievement of this objective.
51. The cabinet are reminded that the council is subject to the public sector equality duty in section 149 Equality Act 2010. The duty requires the council, in the exercise of all its functions, to have due regard to the need to:
- a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
  - b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
  - c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
52. The duty is a continuing one.

### Strategic Director of Finance and Governance (FC20/025)

53. The strategic director of finance and governance notes the recommendations of this report. The report and appendices seek to create a best practice environment for volunteering within Southwark. The report notes that specific existing resources should be allocated to areas of potential expenditure in services where volunteering occurs, noted examples are food and training.

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

**APPENDICES**

<b>No.</b>	<b>Title</b>
Appendix 1	Managers guidance
Appendix 2	Volunteer handbook
Appendix 3	Equality Analysis
Appendix 4	Volunteer Strategy

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Alice MacDonald, Equalities and Communities	
<b>Lead Officer</b>	Stephen Douglass, Director of Communities	
<b>Report Author</b>	Jessica Leech, Community Engagement Manager	
<b>Version</b>	Final	
<b>Dated</b>	7 January 2021	
<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 Governance	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>		

<b>Item No.</b> 19.	<b>Classification:</b> Open	<b>Date:</b> 19 January 2021	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Corporate Asset Management Plan 2021	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Rebecca Lury, Cabinet Member for Finance and Resources	

## **FOREWORD – COUNCILLOR REBECCA LURY, CABINET MEMBER FOR FINANCE & RESOURCES**

Southwark Council is a large property owner and manager, and we therefore have a significant impact on domestic and working life throughout the Borough.

Our reach across the Borough is extensive, with the Council being landlord to over 35,000 dwellings, 15,000 residential leaseholds and more than 5000 other properties.

With such significant levels of ownership, we therefore have a responsibility to ensure that we are doing this to the highest standard and taking decisions that are in the best interests of our residents and the Borough as a whole.

This new Asset Management Plan sets out our ambitions for existing stock and future investment decision-making. We have considered the new Borough Plan and how the decisions that we take around property can help to achieve these, prioritising climate change and recognising the hugely important role in providing and building stable communities.

Our future decision-making will follow a clear process, evaluating how closely any decisions are aligned to our corporate ambitions, ensuring we are taking well-thought through decisions in the best interests of the Borough as a whole.

## **RECOMMENDATIONS**

1. That Cabinet approves the refreshed Asset Management Plan contained in Appendix 1 of this report, as a key strategic document alongside the council's other resource policies and the central strategy for the management of the council's non-dwellings property holdings.
2. That Cabinet notes and agrees the Investment Strategy contained in part 6 of the new Asset Management Plan.

## BACKGROUND INFORMATION

3. Our new Asset Management Plan sets a policy framework for the efficient stewardship of the authority's property assets. It emphasises the strategic significance of a multi-billion pound property portfolio deployed in, and aligned to, the fulfilment of the Council's corporate priorities:
  - A place to call home
  - Climate Emergency
  - Green & Fair Economic Renewal
  - Tackling Health Inequalities
  - A great start in life
  - Southwark Together
4. It is supplemented by a Commercial Property AMP, adopted in 2016, to provide additional detail in respect of this important part of the estate, which generates incomes that fund council services, whilst contributing to our borough's vibrancy and all levels of its economy.
5. Although the general principles of previous Asset Management Plans continue to hold good, much has changed in relation to the way assets are used now, the resource position, and the choices that need to be made about how assets should best support service delivery in the future. Years of austerity, the impacts of the Covid-19 pandemic, along with those to come as a result of Brexit, firmly place the asset base and how we manage it in a phase of uncertainty and, more positively, in the initial stages of recovery.

## KEY ISSUES FOR CONSIDERATION

### The Corporate Property Portfolio

6. Southwark Council is a major inner-city property owner. Through this ownership it has a significant impact on domestic and working life across the borough. As the landlord of approximately 35,000 dwellings, 15,000+ residential leaseholds and more than 5,000 other interests including commercial, industrial, and operational property the Council owns in the region of 36% of all the freehold land situated within its boundaries, with a further 1.5% occupied under lease.
7. The aggregate value of these interests is estimated to be approximately £3 billion. Approximately 96% of this value is concentrated in operational assets (primarily our housing stock) used by the council to deliver services in direct support of our Community Priorities. The remainder is invested in shops, business premises and other non-operational properties held for income generation. The rent roll from this source currently stands at £21.3 million per annum and directly funds service provision.

8. Regeneration continues to be a central theme, with the geographical focus for the future shifting to the Old Kent Road and Canada Water. Previous years had seen significant rationalisation. Particularly across the operational offices estate. This in turn had driven an extensive disposal programme. However, more recently activity has moved to using the council's land holdings to build new homes, either through direct delivery or in development partnerships. The council has also acquired land to increase the capacity of these programmes.
9. Properties that no longer fulfill operational or investment criteria may be released into the disposal programme, to produce capital receipts.

### **Investment Strategy**

10. The council has a strong track record of promoting investment in its borough, securing major schemes such as the Elephant and Castle regeneration through the strategic use of its own asset holdings. The emphasis of our investment activity is in acquisitions for home building, for other strategic purposes that directly or indirectly support the aspirations of the Council Plan.
11. Inevitably, the way in which the council uses scarce resources is a fundamental theme for the new Asset Management Plan. In the current financial climate AMP 2021 envisages only essential, affordable investment aligned to strategic priorities:
  - Acquisitions of land for new buildings
  - Acquisitions of new stock of dwellings
  - Investment opportunities within the existing stock
  - Investing in the future of Canada Water
  - Securing sustainable, high quality employment opportunities;
  - Securing economic and infrastructure investment
  - Delivering a sustainable response to Climate Emergency and achieving Carbon Net Zero for Southwark by 2030
12. Therefore, AMP 2021 seeks to ensure a robust approach to property asset investment decision making, setting out a structured framework for direct investment in real property assets.

### **Policy implications**

13. The Asset Management Plan is a key strategic document for the Council, sitting alongside the council's Medium Term Financial Strategy. Defined decision making processes and structures for asset management planning are in place across all parts of the asset base, under the lead of the Council's Director of Regeneration and Head of Property.

### **Community impact statement**

14. AMP 2021 sets the strategic framework within which future decisions about assets will be made. It enables the council to organise its property assets efficiently to support the delivery of the council's corporate vision and values, including Southwark Stands Together, tackling racism and achieving equality.
15. The activities flowing from AMP 2021 will bring about specific actions for individual assets. Equalities considerations will be captured and reported in full to inform the recommendations and decision making at this level.

### **Resource Implications**

16. The strategic vision for assets is shaped by good estate management practice, adjustment following the Covid-19 pandemic, escalating property holding costs and mounting financial pressures on public sector resources. Resource considerations are set out in the main AMP document.
17. Detailed work with services on specialist assets will be undertaken to develop service based asset strategies, identifying further efficiencies and supporting innovative ways of delivering services and value. The AMP Action Plan (Part 2 of the AMP) identifies a number of specific projects and programmes, together with the active management, acquisition and disposal processes that will bring them forward.
18. AMP 2021 includes a detailed Investment Strategy methodology to ensure that limited resources are used as effectively as possible, to ensure a fit for purpose estate that is aligned to corporate need.

### **Financial Implications**

19. There are no immediate revenue implications arising from the recommendations of this report.
20. The detailed decisions that flow from the framework the AMP sets will be subject to further reports confirming funding before commitments for project expenditure are approved.
21. Asset management is an important part of the council's business management arrangements. The Asset Management Plan is a key strategic document, which sits within the council's Fairer Futures medium term financial resource planning arrangements and Capital Investment Strategy.
22. Staffing and any other costs connected with this report will be contained within existing revenue budgets.

## **Consultation**

23. The Asset Management Plan sets a strategic framework for asset management planning across the council at a time of immense change. The consequences of the Covid-19 pandemic, including the implications for assets, are still being determined, absorbed and adjusted to by all the council's services and the community they serve.
24. Through AMP 2021, detailed work on asset strategy at services level will be brought forward with individual departments, and this process will incorporate full consultation.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Director of Law and Governance**

25. Cabinet is being asked to approve the refreshed Asset Management Plan set out at Appendix 1 and also agree the Investment Strategy at part 6. This will assist the Council in the optimum organization of its property assets and also the delivery of its best value duties, which is a major part of the government's modernisation agenda.
26. Cabinet will note the proposals set out in the AMP results in an emphasis being placed on the requirement to build new council homes as opposed to the possible sale of some its property assets. Cabinet is advised that there are a number of statutory powers available to the Council to do this. These transactions will be dealt with separately at the relevant time and in accordance with the appropriate statutory powers
27. It is noted that the considerations of the Equality Act 2010 will be taken into account at the relevant time. Accordingly, at this stage there are no particular legal issues which arise with this report

### **Strategic Director of Finance and Governance (FC20/026)**

28. The report is requesting cabinet to approve the refreshed Asset Management Plan contained in Appendix 1 of this report, as a key strategic document alongside the council's other resource policies and the central strategy for the management of the council's non-dwellings property holdings and notes and agrees the Investment Strategy contained in part 6 of the new Asset Management Plan.
29. The strategic director of finance and governance notes that there will be no immediate revenue implications from this report and notes other comments in the financial implications.
30. The strategic director of finance and governance also notes that Asset management is an important part of the council's business management arrangements. The Asset Management Plan is a key strategic document which sits within the council's Fairer Futures medium term

financial resource planning arrangements and Capital Investment Strategy.

31. Staffing and any other costs connected with this report to be contained within existing departmental revenue budgets.

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Commercial Property Asset Management Plan 2016	Property / Regeneration Department, Tooley Street, SE1	Matthew Jackson Tel: 020 7525 1332
<b>Link:</b> <a href="http://moderngov.southwark.gov.uk/mglIssueHistoryHome.aspx?Ild=50011497">http://moderngov.southwark.gov.uk/mglIssueHistoryHome.aspx?Ild=50011497</a>		

## APPENDICES

No.	Title
Appendix 1	Asset Management Plan 2021 – Managing Assets Through Recovery and Change (Parts 1, 2 & 3)

## AUDIT TRAIL

<b>Cabinet Member</b>	Councillor Rebecca Lury, Finance and Resources	
<b>Lead Officer</b>	Eleanor Kelly, Chief Executive	
<b>Report Author</b>	Matthew Jackson	
<b>Version</b>	Final	
<b>Dated</b>	8 January 2021	
<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>
Strategic Director of Finance & Governance,	Yes	Yes
Director of Law & Governance	Yes	Yes
<b>Cabinet Member</b>		
<b>Date final report sent to Constitutional Team</b>	8 January 2021	

<b>Item No.</b> 20.	<b>Classification:</b> Open	<b>Date:</b> 19 January 2021	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Response to Care Home Quality Assurance Recommendations	
<b>Ward(s) or groups affected:</b>		All wards	
<b>Cabinet Member:</b>		Councillor Helen Dennis, C Social Support and Homelessness	

**FOREWORD - COUNCILLOR HELEN DENNIS, CABINET MEMBER FOR SOCIAL SUPPORT AND HOMELESSNESS**

The COVID-19 pandemic has shone a spotlight on the quality of residential care like never before, and has highlighted systemic issues which have required attention for some time: the chronic under-funding of public social care, the need for greater investment in the workforce, and the need to better listen and respond to the experiences of residents, their families and carers. In Southwark, we have known for some time that these issues will not be resolved in the market-place alone and building on the ethical care charter, our commitments to build new nursing homes, and to bring forward a residential care charter, underline our vision for care which is driven by public service and compassion and which rejects a race to the bottom in terms and conditions for staff.

As a commissioner of services, it is vital that we use all of the tools at our disposal, to settle for nothing less than excellence for our residents, and in that vein, I want to warmly welcome this report from the Health & Social Care Scrutiny Commission and its 13 recommendations. In particular, the introduction of an Annual Care Home Report will be a valuable way to gather all relevant information together in one place, and the Care Well strand of Partnership Southwark, which has mobilised so effectively during this year, will also be well placed to support service improvement across the sector.

We are now living through a further period of national lockdown, with the newly identified COVID variant resulting in a staggeringly high infection rate, with significant pressures on NHS services. The risks to care homes, their residents and staff, have not diminished but we are thankfully in a positive place now in relation to infection control measures, the provision and use of PPE, safe discharge from hospitals, and the regular testing of care home residents, staff and now visitors. And with the approval of the Oxford/AstraZeneca vaccine, roll-out to care home residents is also now underway in Southwark, including in settings for those with learning disabilities and mental health needs.

2020 has been heart-breaking in many ways, but we have all been shocked by the devastating impact of COVID in our care homes, especially those providing care for vulnerable older people, and moved by stories of loved ones unable to see one another, to hold hands or to share a hug. There is still a lot of uncertainty about the coming months but I want to thank all of those involved in the provision of residential care across our borough in these immensely challenging times. The Council will remain focused on improving support for all of our care home residents, both now and once this crisis is finally over.

## **RECOMMENDATIONS**

1. That cabinet notes the responses to the recommendations set out by the Health and Social Care Scrutiny Commission in their report on Care Home Quality Assurance.

## **BACKGROUND INFORMATION**

2. The Health and Social Care Scrutiny Commission undertook a review of 'the quality of care of Southwark providers and out of borough placements used by Southwark adults, to ensure people in both local and out of borough placements are safe, well and in suitable accommodation. The review has a particular focus on examining the assurance and inspection processes in place, to see if they are performing well.' A link to the report is provided in the list of background documents.

## **KEY ISSUES FOR CONSIDERATION**

### **Background**

3. This response has been prepared with partners from Partnership Southwark. Partnership Southwark includes Southwark Council, Southwark borough – South East London CCG, and a range of local health and care providers and Community Southwark.
4. Partnership Southwark drafted a recovery plan, endorsed by the Health and Wellbeing Board, which recognises that the care home sector was, and continues to be, significantly impacted by COVID-19 due to the early and rapid spread of the virus amongst high risk and vulnerable residents and a fragile sector – both of which have put pressure on a dedicated workforce.
5. As part of the recovery plan, Partnership Southwark established four cells, one of which is focused on care homes and other care settings and is referred to in the recovery plan as Care Well.
6. To respond to this challenge Southwark's health, care and wider council services worked together in a whole system approach through the emergency period of the pandemic.

7. The Health and Social Care Scrutiny Commission have made 13 recommendations relating to care homes supporting Older People in Southwark. Some of these recommendations are around:
- a. building on existing practice
  - b. bringing information and systems across multiple organisations into one place
  - c. harnessing our joint learning across these organisations to
    - i. improve what is currently business-as-usual
    - ii. respond promptly and appropriately in the event of localised outbreaks of Covid-19 or in response to a national lockdown if that were to happen
  - d. assurance that our nursing and residential care homes are able to provide not only good safe care to our most vulnerable residents but in a place that is their home.
8. The 13 recommendations within the Care Home Quality Assurance Report have been grouped into five themes:

**Theme 1** - Quality Assurance via complaints, quality alerts and safeguarding and the development of a Cabinet Care Home Annual Report

**Theme 2** - Relationships and Befriending

**Theme 3** - Residential Care Charter

**Theme 4** - New Nursing Care Provision

**Theme 5** - Covid-19 preparation

**Theme 1** - Quality Assurance via complaints, quality alerts and safeguarding, and the development of a Cabinet Care Home Annual Report

#### **Recommendation 1**

All homes, the Council and CCG ought to have a clear and well publicised Complaints, Quality Alert and Safeguarding processes that detail how to raise concerns with the homes, Council, CCG, CQC, who to go to, and at which point.

This ought to include a mechanism to appeal to the council and NHS CCG if a resident or advocate is unhappy with the outcome of an internal resolution process.

This ought to be managed through the contract monitoring and commissioning process.

#### **Response to recommendation 1:**

To demonstrate that Complaints, Quality Alert and Safeguarding processes are well publicised there are some sample links at the end of this report. These cover the web links to the council complaints, CCG, Local Government and Social Care Ombudsman, a sample from one of the local care homes on how to make a complaint and another has their full complaints procedure available.

When visiting the care home, the council monitoring officers are looking for clear signs that the homes are ensuring visitors and residents are aware of the complaints and safeguarding processes that they feel able to raise concerns and know what to do if they need to do so. This involves posters in public areas and information on the notice boards in each individual room or just outside and leaflets at work stations and in communal areas.

Monitoring of complaints, quality alerts and safeguarding already forms part of the contract monitoring processes and is integral to the care homes registration and reviewed by the Care Quality Commissions (CQC) when undertaking an inspection. This includes confirmation of the policy, with escalation routes to the council and onwards to the relevant ombudsman. They actively review and analysis all or a sample of complaints since the last visit.

It should be noted that the contract monitoring arrangements will only apply to the care homes that have residents placed there by Southwark Council therefore there isn't a guarantee that 'all' homes will be monitored by the council but they will be picked up by the CQC as part of their standards for registrations.

#### **Recommendation 2**

A record and summary of the number of Complaints and Quality Alerts made to the council, CCG and CQC ought to be provided in an annual report to Cabinet, with benchmarking against comparator boroughs.

#### **Response to recommendation 2:**

Complaints and quality alerts will be report to Cabinet as part of the annual report in recommendation 7.

#### **Recommendation 7**

An annual Cabinet report on Care Homes would be useful addition. This ought to summarise contract monitoring, CQC, Lay Inspector, Healthwatch, and CCG reports, and include a summary of complaints and Quality Alerts, with benchmarking with comparative Local Authorities.

#### **Response to recommendation 7:**

An annual report about care homes can be provided to Cabinet. Officers can certainly address all of the requested areas apart from the benchmarking of complaints and quality alerts.

Benchmarking of complaints and quality alerts relies on other local authorities sharing this information; officers will endeavour to make this benchmarking information available in the first or subsequent reports.

The first annual report will follow the report related to the residential care charter.

**Commentary:**

9. All care homes are required to publish their complaints/safeguarding process making it accessible to all. The CQC through their inspection regime review policies, procedures and publications within all the care homes they inspect. Evidence of this is also a standard part of the contract monitoring process – alongside analysis of trends, responses and organisational learning.
10. The council and CCG also have published complaints and safeguarding processes including a process for appeal.
11. Quality Alerts are included in complaint/safeguarding processes. The professionals have systems in place to ensure these are identified and investigated.
12. The area for development is an integrated approach to processing and sharing information around complaints. The local government and social care ombudsman acknowledged this as a national priority as shown in the extract from their recent publication *'Effective Complaint Handling for Local Authorities October 2020'*. Under the theme of Adult Social Care Complaints, the Ombudsman made the following statement:

***'Working with others...***

***Many adult care services will be delivered in partnership with health authorities. It is vital that different organisations work together to deliver seamless services, this includes complaint handling. The complexity in which joint services are often delivered means complaining about these services can be confusing and time consuming. We have set up a joint working team, with the Parliamentary and Health Service Ombudsman, to investigate complaints spanning both sectors'***

13. The Care Well cell of Partnership Southwark will consider how complaints related to care home services but not necessarily exclusive to care homes, e.g. ancillary services such as GP services reaching into the care home, and quality alerts from across the system can be shared in the context of continuous improvement for the sector.

**Theme 2 - Relationships and Befriending****Recommendation 3**

Ensure systems are in place to ensure that people in care homes (in and out of Southwark) who are unbefriended have support by the Independent Lay Inspector services, or similar.

**Response to recommendation 3:**

The current arrangement with our Lay Inspector Service is to provide services for our residents in care homes based in Southwark. With the redesign of the service, and the accelerated advance in using digital technology for communication, the opportunity will be taken to look at options for supporting

our residents who require befriending of those living in or out of borough.'

**Recommendation 4**

Ensure that care homes hold regular meeting for families and carers. This ought to happen at least quarterly, and there ought to be is a schedule of attendance by monitoring officers, commiserate with the number of Southwark residents and contract management resources.

**Response to recommendation 4:**

This currently forms part of contract monitoring of care homes. Monitoring was paused but has resumed during the pandemic.

**Recommendation 6**

The commission endorse the organisational commitment shown by the council and Age UK Lewisham and Southwark to restart the Lay inspectors programme and establish complimentary and strong working relationships. A summary of the Lay Inspectors work ought to be included in an Annual Report on Care Homes.

**Response to recommendation 6:**

Age UK have recently appointed a new Lead for the Lay Inspector Service. Their reports and findings will be embedded into any future annual reports on care homes. Lay inspection resumed its service in December 2020 with the remit to establish relationships with residents, families and friends and to reflect on the quality of care they receive and whether or not they have a 'good life' and recognised the care home as their home. The first task that the Lay Inspectors are supporting the council with is the development of the residential care charter.

**Commentary:**

**Residents who do not have family/friends:**

14. The experience of moving into a care home for Southwark residents who lived on their own, in isolation without social contact is that they are no longer alone. Adjusting to company takes time and support at this stage from an allocated companion would be useful.
15. Living in a care home means that there is the opportunity to enjoy the company of others, eat meals with other people, receive daily personal care and be involved in different activities that are organised by the home or volunteers.
16. Residents acquire within the home new friends and widen/increase their social network.
17. There is a fine balance between giving both existing, and new, residents space to be alone or time with others. The skill is to know the person, listen to them and encourage social contact where, for the individual, being alone is a negative experience.

18. There is an active negotiation underway with Age UK to redesign the work of the Lay Inspectors and to consider their role around supporting individual residents who do not have family/friends or who have infrequent contact with people outside the home.

**Residents with Family and Friends:**

19. Contract Monitoring Officers (CMOs), as part of their monitoring visits, collect information and evidence on how the homes support residents to connect with families and friends.
20. For those homes with a significant number of Southwark residents, CMOs attend and observe at least one family meeting a year.
21. The Care Quality Commission also seek evidence through their inspection regime around the relationship with families and friends with the care homes and their access/involvement with the care of their loved ones.
22. Nursing Care Home Procurement engaged over a hundred older people living in Southwark. A combination of existing residents in care homes, families and friends as well as older people who may well be the future residents of these care homes. From these discussions a small group of volunteers formed the Nursing Care Co-Design Group over a two year period both the Age UK Lay Inspectors and Health Watch supported and worked with commissioners to identify and develop these customer 'I Statements' for our care homes.
23. The Customer 'I Statements' within the new contracts is very detailed and extensive they have therefore been grouped into the following headings/themes:
  - a. Dignity and respect
  - b. Person centred care
  - c. Keeping healthy
  - d. Skilled workforce.
24. Through each engagement event and within the discussions with the Nursing Care Co-Design Group what emerged:
  - As the most important priority to all those involved was the quality of the care workforce. One gentleman stated to him the care workers needed to 'like people, like caring and like their job' those are the people that you feel safe with. Another common statement was that they need to see 'you as a person'. When that happens the residents and their families have confidence, trust and know they are in safe hands.
  - Social contact was also important for many reasons including wellbeing. It was reflected in many different ways within these 'I Statements' conversations. The need for assurance that their family can visit at any time that they feel welcome and comfortable in the home and will still be active in supporting them. One gentleman

talked about his friend living in a local care home who despite being in a wheelchair went out to the local shops every day supported by the staff in the home that gave him confidence that when his time came, he could still have a life in the local community.

25. Lay Inspectors are also referenced within the nursing care contracts to ensure that the care homes will enable the Lay Inspectors access and support them in working with residents.
26. Current conversations with Age UK Lay Inspectors is underway. To consider their role in supporting the development of the residential care charter. Identifying how they will establish what residents' views are, represent those views and influence the shape and content of the residential care charter.

### Theme 3 - Residential Care Charter

#### **Recommendation 10**

Lobby government to bring forward the expected White Paper on social care funding to ensure the service is sufficiently well funded and councils can agree fees with care homes that allows for payment of the London Living Wage, full sick pay and other terms of conditions that reflect the value that we place on this important service.

#### **Response to recommendation 10:**

The former Cabinet Member wrote to the Secretary State on this matter and the senior management of Children and Adults continues to work with ADASS (Association for Directors of Adult Social Services) colleagues to lobby government about properly and fairly funding adult social care.

The Cabinet Member for Social Support & Homelessness is committed to continuing this work and has recently signed the Future Social Care Coalition pledge.

#### **Recommendation 8**

Complete the Residential Care Charter by September

#### **Recommendation 11**

Ensure the Residential Care Charter includes a requirement for sick pay.

#### **Response to recommendations 8 and 11**

Subject to the financial modelling and engagement concluding early in the new year, a report should be presented to Cabinet in the Spring of 2021.

The financial modelling includes payment of the London Living Wage remuneration for training, shift handovers and sick pay.

### **Commentary:**

27. The Residential Care Charter is a key council plan commitment and is being developed along similar lines for both Nursing and Residential Care Homes.
28. There are 17 Care Homes for all client groups - younger adults and older people. There are eight homes/four care home organisations who are working with the authority to explore the development of the residential care charter.
29. Due to the pandemic the intended engagement and consultations with care homes, staff, residents and carers planned earlier in the year needed to be paused. However, the programme of work did resume late Autumn with a series of:
- a. On line surveys asking interested parties to come forward and inform us of their views. Support to do this has been offered and adjustments made to enable a greater take up
  - b. At the time of writing this report with the surveys still open more than 50 care home staff have completed the survey
  - c. A small number of family carers are scheduled to have support via a telephone survey
  - d. A couple of care home staff events have taken place with a schedule involving more staff events and family sessions.
  - e. Lay Inspectors will be looking to support residents' views and where possible to complete a few surveys.
30. The financial analysis and considerations for the residential care charter is being assessed with the same methodology and rigour that was used for the development of Southwark's Ethical Care Charter. There will be financial implications relating to funding for this workforce that comes through the residential care charter that will need to be clearly articulated and presented to Cabinet before Southwark Council and the local Care Home providers are in a position to sign up to this charter.
31. The majority of the care homes when surveyed in May for the IPC funding informed council officers that they pay staff statutory sick pay. However, through the process of reviewing and evidencing employment conditions for the residential care charter this will be reviewed to ensure it does in fact apply to all staff employed within the care home.

#### **Theme 4 - New Nursing Care Provision**

##### **Recommendation 9**

Expedite the current plans for expansion of provision of Nursing Homes and review future plans to ensure that there will be enough local capacity, particularly for local people with more challenging dementia.

##### **Response to recommendation 9:**

Commissioning continues to explore other areas to increase and develop local

nursing care home provision at pace and this is under regular review at the Nursing Care Programme Board chaired by the Director of Commissioning.

### **Recommendation 5**

Commission the Older People's hub to provide information and advice to prospective older people, friends and family on how to choose a care home.

### **Response to recommendation 5:**

The Older People's Hub, now known as the Ageing Well Hub, provides this information and advice in accordance with the Care Act 2014. The advice relates to a range of social care services. This includes sign posting the hubs clients to relevant information on how to find out more about

- the rating and quality of a specific home that they may have an interest in or
- how to look for homes in a certain area guiding them to the Care Quality Commissions website.
- Links to leaflets and factsheets:
  - IG06: Care Homes
  - IL5: Care homes checklist
  - FS29: Finding, choosing and funding a care home
  - <https://www.ageuk.org.uk/services/information-advice/guides-and-factsheets/>

### **Commentary:**

32. The procurement strategy of nursing care home provision was presented to Cabinet in April 2019. There is a current and active set of negotiations underway some aspects of this work will result in two contracts for block provision being in place by January 2021.
33. There are two planning applications relating to new buildings one of which is expected to be ready for occupation by December 2021/January 2022. The other home will take longer to develop.
34. Oversight of the Nursing Care Home procurement is governed by the Nursing Care Programme Board. Progress within this financial year (20/21) will result in the council entering into two contracts, one of which will expand provision in the borough. Across two nursing care homes the block provision will be for 98 rooms by 31 March 2021. The redevelopment of Burgess Park site will see a further increase of at least 34 rooms by 31 March 2022.
35. Commissioning are actively looking at additional options for expansion as well as analysing demand. Demand analysis for dementia currently takes the form of data collection and activity. Regeneration/Property officers have worked closely with Children and Adults to identify land or existing buildings that can be utilised or repurposed for this use.

36. Reviewing demand, capacity and our local provision/market opportunities is an ongoing activity throughout this procurement process.

**Theme 5 - Covid-19 preparation**

**Recommendation 12**

Plans must be put place to manage a second wave of COVID 19 and the risk of further fatalities by ensuring adequate PPE, testing, and that care homes are not treated as a step-down facility.

**Response to recommendation 12:**

The council created a Covid-19 Resilience Team that supports testing for the health, care and education workforce as well as PPE for all care, support and education settings/services.

Partnership Southwark (which includes the council, CCG, GSTT, Kings, SLaM, GP federations and now Community Southwark) has a Recovery Plan that speaks to plans for the second wave pf Covid 19 and winter planning. Care Homes are covered within the plan, under the strand of 'Care Well'. As part of the Care Well section, the plan has identified a number of actions and established support networks for the care home sector in responding to any future national lockdowns, changes within the tier system or individual outbreaks within local communities and/or specific care homes

The council has continued to support care homes in receiving residents as part of safe hospital discharges. Partnership Southwark is working to deliver actions against its recovery plan.

**Recommendation 13**

Roll out keyworker status to family and friends of older people in care homes, starting with people with dementia and moving to other isolated older people, to allow visitation during the pandemic. Everybody has a human right to family life, which includes regular contact.

**Response to recommendation 13:**

At the time of drafting this report, the government rolled out lateral flow tests to support family and friends visiting residents inside their care homes. The council provides infection control funding that can support homes to manage family and friends visiting.

**Commentary:**

37. The proposals and activities here are a combination of local initiatives but within the context of continually evolving and changing guidance from DHSC /NHS(E) and Public Health England. Therefore, any plans or local agreements may be superseded by national policy directives.

## **Communication and advisory**

38. There were daily (now weekly) touch-points for professionals and check-ins via the commissioning teams, as well as newsletters and provider forum meetings.
39. The multi-disciplinary provider forum continues to meet fortnightly. This provides care home managers with an opportunity to talk collectively and to receive news on current initiatives within a local context.
40. All of these will continue as they have proven to be an effective network of communication channels. Providers can, and have, contacted relevant professionals when they needed to across the system and services are actively contacting them.

## **PPE**

41. The council acquired PPE for care providers with a single point of access for providing this equipment. A national portal is in place for free 'top-up' PPE and care homes have reported using it. Some Southwark care homes have acquired sufficient PPE to take them through the winter and all have established stable supplies of PPE. Local systems between the council/CCG are in place as a backup and mutual aid systems established.

## **Infection control**

42. The CCG offered Infection Prevention Control (IPC) training to care home staff. Refresher and ongoing training have recently been offered to the care homes. Work is also underway in establishing an 'Infection Control Link Group'. Each care home has been asked to identify and put forward a representative to share good practice, identifying emerging problems and offer bespoke training to tackle these.
43. An integrated approach to supporting older people's homes was put in place through joint working between primary care, GSTT and the care homes Intervention Team. Initiatives include:
  - a. Setting up a WhatsApp group, enabling professionals to talk to each other and providing direct contact with the care homes enabling quick response/actions to take place. This has remained in place and continues to support prompt discussions and support.
  - b. Taking swabs of both residents and care home staff, with the support of Kings College Hospital laboratory. Since then the national programme for frequent testing has been established in all the older people care homes after some initial problems the regime is now working. However, it does stretch resources when a positive result comes through and the whole home needs to be 'retested'.
  - c. Public Health has a local backup system in place if the national system falters. Local care homes are aware of the testing process

and have a number of routes to raise concerns locally in the event of a crisis or simply seek support to navigate the system.

- d. Work is underway to develop and/or implement some national health tools designed to support the care homes to record health checks/observations to enable them to identify early signs of deterioration. Two nursing care homes are piloting this new approach.
- e. Flu is an annual campaign but this year the focus is on encouragement across the health and care system to get the staff based in the Care Homes vaccinated. The campaign needs to be focused on keeping the care home workforce healthy this winter.
- f. The GP support to the older people care homes comes from Quay Health Solutions. They have been encouraging care homes to consider the use of Pulse Oximeter and have a supply available to provide to the care homes once they are in a position to use this. This is supported by government guidance that all homes are expected to have at least one Pulse Oximeter.

### **Safe discharge from hospital to care homes**

- 44. The recommendation also refers to the care homes not being treated as a step-down facility.
- 45. At the outset of the pandemic most of Southwark's older people care homes took new residents from hospital not knowing if the persons did or didn't have Covid-19 in line with many other care homes across the country.
- 46. All of the care homes for all client groups in Southwark are clear that they will not take an existing resident or a new resident from hospital without them being tested first and receiving the results. They all understand the need for a period of isolation. All of the older people care homes have at some point this year received new/returning residents and have experience of isolation, retesting and managing staff and residents tested positive. They do however understand their capabilities and will/have declined an admission into the home if they feel unable to safely meet a person's needs.
- 47. At the time of drafting this report, government had provided the CCG with funding for 'designated settings'. These are step-down facilities that take in people who are ready for discharge from hospital to a care home and are Covid-19 positive. These facilities need to be nominated by the council and inspected by CQC to be recognised as a 'designated setting'. The council has not nominated a care home for this purpose and is working with health colleagues to monitor the need for such a setting, which with effective flows of discharging people from hospital should lead to a small number of people who otherwise would have moved into these settings staying in hospital for a few days longer where there are health professionals with the appropriate PPE and expertise to manage C19 positive patients.

### **Family and Friends recognised as key workers**

48. This has been a complex area for Care Homes who have been guided by multiple changes in Government guidance.
49. All of the Care Homes have now (December 2020) received guidance, training and Lateral Flow Tests (LFT) to assist them in facilitating safe visiting arrangements within the home from visitors. Essentially all visitors will undertake a LFT which provides a result within half an hour if the visitor:
- Has a positive test they will not be able to visit their relative at this time. The home then needs to undertake a second (PCR) test that the home will post for urgent analysis and the visitor advised to go home and isolate.
  - If negative, then the visit can proceed. If the person being visited is unable to go to the visiting area/pod. The Care Homes have been provided with additional PPE for visitors who will be guided on how to use this 'safely'.
50. At each stage of the Covid-19 journey from the first national lockdown, easing measures during the summer, to the tiered system and the second lockdown have all triggered different instructions to the care homes. This has ranged from only end of life visits applying infection control measures to supervised outdoors visits.
51. Care Homes have faced the difficult role of protecting their residents and their workforce whilst wanting but not able to support access for families and friends. Where it has been known that a resident is nearing the end of their life compassionate visits had been enabled. It is rare and exceptional but at least one visit was facilitated for a resident with dementia with the family member being required to wear appropriate PPE.
52. Through the regular weekly/two weekly calls with the care home managers the council has supported them in planning and preparing different approaches to enable visits, the Care Homes have been innovative in using technology. At least one care home has had families donating iPads to help with this. Alongside the offer of new iPads to homes from the Health Innovations Network.
53. The guidance released during the second lockdown (5<sup>th</sup> November 2020) has essentially moved to a position of broadly acknowledging that there is a need for family members to be allowed to visit their loved ones. It states: Care Home Visiting Guidance 5 November 2020: Providers should work collaboratively with residents, families and local social care and health professionals to strike a good balance between the benefits of visiting for residents' health and wellbeing and quality of life; and the infection risks that arise from increased interactions of visitors, residents and staff in the facilitation of visiting.

54. Aspects of the national guidance at the time of drafting this report, that is relevant to this recommendation and need to be noted are:
- a. The role of Public Health has the power to tell a home to close to visitors or set conditions around 'visiting' that the care home must implement.
  - b. Care Homes must take into account the significant vulnerability of their residents when making decisions around allowing visitors into the home.
  - c. Care Homes should make their visiting policy available outlining any specific conditions that will apply to the visit.
  - d. In the event of an outbreak the Care Home needs to respond rapidly and stop any visits for the duration of the outbreak.
  - e. There may be circumstances where the care home and family agree an individualised visiting plan if there are higher risks or complications with that need to be factored in for individual residents.
55. The conversation with Older People Care Homes around enabling families as key workers started at the end of the summer. Responses varied from looking at 'how' to do this to being 'worried' about the risks that could lead to an outbreak of Covid-19 in the home and capacity around staff numbers to enable supervised controlled visits. Most talked about how a testing regime for visitors would be a mitigation to the risks. The introduction of rapid testing (lateral flow testing) has supported delivery of this recommendation.
56. Care Homes will still need to use other infection control measures and it will be based on an individualised approach per home. They need to develop safe practice that reflects the unique nature of their homes and the risks they have identified around – building design, size, locality, and the needs of their residents. Precautions may well be a visitor lounge rather than going to a resident's room, use of PPE and completing a check list alongside the testing.
57. All care homes indicated that if an outbreak occurs or government guidance prohibited it then they would have to say no.

### **Vaccinations in care homes**

57. Government has identified the vaccination of care home residents as an initial priority. In Southwark all CQC registered care homes will be vaccinated as a priority, including not only Older People homes, but also Learning Disabilities and Mental Health settings. Vaccinations have commenced in Older People homes and following completion of these the other homes will be offered the vaccine too. The North and South PCN's will work together to ensure all homes are covered and residents and staff, where consent has been given, are vaccinated in a timely and planned manner. Residents and staff will have future opportunities to obtain the vaccine, should they not consent to receiving it the first time round.

**Resource implications**

58. There are no immediate resource implications in this report. Three of the recommendations (listed below) will have budgetary implications that will be addressed as part of detailed and specific reports being presented to the relevant decision-maker. As per council standing orders, the necessary reports will be presented to allow the relevant decision makers to give approval to the proposed strategy for enacting the recommendations. The three recommendations are:
1. The residential care charter will need to come back to cabinet for approval
  2. Cabinet has already given delegated authority to enable the council to enter into block contracts for nursing care home provision and
  3. There may be small adjustments to the budget already allocated to the Lay Inspector scheme provided through a contract with Age UK.

## BACKGROUND DOCUMENTS

Background documents	Held At	Contact
Care Home Quality Assurance Report	Scrutiny Team 160 Tooley Street, London SE1 2QH	Julie Timbrell  020 7525 0514
<b>Link: (please copy and paste into browser)</b> <a href="http://modern.gov.southwark.gov.uk/documents/g6662/Public%20reports%20pack%20Tuesday%2008-Sep-2020%2016.00%20Cabinet.pdf?T=10">http://modern.gov.southwark.gov.uk/documents/g6662/Public%20reports%20pack%20Tuesday%2008-Sep-2020%2016.00%20Cabinet.pdf?T=10</a>		
Partnership Southwark Recovery Plan	SEL CCG and Partnership Southwark 160 Tooley Street, London SE1 2QH	Hayley Ormandy  <a href="https://selondonccg.nhs.uk/contact-us/">https://selondonccg.nhs.uk/contact-us/</a>
<b>Link: (please copy and paste into browser)</b> <a href="http://modern.gov.southwark.gov.uk/documents/b50012132/Supplementary%20Agenda%20No.1%20Thursday%2024-Sep-2020%2015.00%20Health%20and%20Wellbeing%20Board.pdf?T=9">http://modern.gov.southwark.gov.uk/documents/b50012132/Supplementary%20Agenda%20No.1%20Thursday%2024-Sep-2020%2015.00%20Health%20and%20Wellbeing%20Board.pdf?T=9</a>		
Increasing Nursing Home Provision 2017 – Cabinet Report	Partnership Southwark Commissioning Team 160 Tooley Street, London SE1 2QH	Carol O'Brien  020 7525 4754
<b>Link: <a href="#">Increasing nursing home provision 2017</a></b>		
Nursing Care Strategic Options Assessment 2018 – GW0	Partnership Southwark Commissioning Team 160 Tooley Street, London SE1 2QH	Carol O'Brien  020 7525 4754
<b>Link: <a href="#">GW 0 Nursing Care Strategic Options Assessment 2018</a></b>		
Nursing Care 2019 GW1	Partnership Southwark Commissioning Team 160 Tooley Street, London SE1 2QH	Carol O'Brien  020 7525 4754
<b>Link: <a href="#">GW1 Nursing Care 2019</a></b>		
Links relating to Recommendation 1:  Some links relating to Recommendation 1 and samples on the complaints information available on line: <a href="#">Complaints about adult social care - Southwark Council</a> <a href="#">Comments and complaints - South East London CCG (selondonccg.nhs.uk)</a> <a href="#">Home - Local Government and Social Care Ombudsman</a>		

**Sample link from one local care home on complaints:**

[Excelcare | Compliments and Complaints \(excelcareholdings.com\)](https://www.excelcareholdings.com/Compliments-and-Complaints)

**Sample link for another care homes on link complaints procedure in full**

[Compliments,-Concerns-and-Complaints-Policy.pdf.aspx \(hc-one.co.uk\)](https://www.hc-one.co.uk/Compliments,-Concerns-and-Complaints-Policy.pdf.aspx)

## AUDIT TRAIL

<b>Cabinet Member</b>	Councillor Helen Dennis, Social Support and Homelessness		
<b>Lead Officer</b>	David Quirke Thornton, Strategic Director of Children's and Adults Services		
<b>Report Author</b>	Carol O'Brien, Senior Commissioning Officer		
<b>Version</b>	Final		
<b>Dated</b>	9 January 2021		
<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 Governance	N/a	N/a	
Strategic Director of Finance and Governance	N/a	N/a	
<b>Cabinet Member</b>	Yes	Yes	
<b>Date final report sent to Constitutional Team</b>	9 January 2021		

<b>Item No.</b> 21.	<b>Classification:</b> Open	<b>Date:</b> 19 January 2021	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Response to Housing Scrutiny Commission report into District Heating	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Leo Pollak, Housing	

**FOREWORD – COUNCILLOR LEO POLLAK, CABINET MEMBER FOR HOUSING**

We want everyone in Southwark to have a warm home, with heating and hot water that is effective, reliable and affordable. To meet our council commitment to make Southwark Carbon neutral by 2030 we also need to ensure the heat sources that supply homes in our borough are increasingly low and zero carbon.

This report setting our response to the Housing Scrutiny Commission’s report on District heating networks offers a chance to provide a wider update on our efforts to deliver a warm homes for all our residents with heating and hot water that is effective reliable and affordable.

We recognise the significant inconvenience and discomfort caused by heat and hot water outages and the importance of a concerted focus on how we respond to these situations as well as developing the wider heat investment and decarbonisation plan for the 17,000 homes (nearly a third) that are currently connected to heat networks.

While a full heat investment plan will be coming to cabinet in March this year, including full details on our approach to individual heat metering as the new regulations are finalised, in this report we are able to update on continued feasibility work to extend the South-East London Heat and Power (SELCHP) network to many more estates across Bermondsey and further south towards Peckham.

We also update on the council’s preferred approach to in-house provision over ESCos, as well as a number of improved coordination and communications procedures for when heating systems fail, including making out-bound calls to vulnerable residents and making data on vulnerable residents available to call centre staff and repairs engineers, who can provide additional support including provision of emergency fan heaters.

We are also able to describe progress in developing a new and greatly simplified compensation policy for residents experiencing outages, with a more

direct automated and live system based on a flat rate £3/day being piloted ahead of a full roll out in April.

I'm grateful for the work of the Housing scrutiny commission and officers in developing the borough's heat investment plan. Many of our older networks have seen substantial problems in recent months and years causing significant discomfort to many of our residents, and now is the time to lay the foundations for a concerted period of investment in our heat networks, to achieve the reliable affordable and sustainable heat our residents deserve.

## RECOMMENDATIONS

### That the Cabinet:

1. Notes the responses provided within the report to each of the Housing Scrutiny Commissions recommendations.

## BACKGROUND INFORMATION

2. The Housing Scrutiny Commission (HSC) presented a report in October 2020 that investigated the state of the Council's district heating systems and service. The report, available [here](#), made 13 recommendations within three broad areas:

- Strategic expansion of and investment in the heat network (#1 - #4)
- Repairs and response to outages (#5 - #9)
- Metering and heat market regulation (#10 - #13)

## KEY ISSUES FOR CONSIDERATION

3. This section of the report runs through each HSC recommendation in turn and provides a response. The text describing the HSC recommendations is largely quoted from the HSC report but some contextualisation and simplification is undertaken. A summary of the HSC recommendation and the Council's response is provided in the table below, with fuller responses outlined in the paragraphs following.

HSC recommendation number	Summary of recommendation	Summary of response
1	Encourage the use of SELCHP (a low carbon option) through the planning process for example by investigating the use of "Local Development Orders"	Agreed, though investigation into LDOs is ongoing amid changing heat market regulation. The Council is actively encouraging expansion and connection to the SELCHP heat network and an LDO may be a way of speeding up delivery of

HSC recommendation number	Summary of recommendation	Summary of response
		works.
2	Ensure internal investment options are exhausted before partnering with the private sector	Agreed. The Council is focussing efforts on maximising in-house resources and existing partner relationships while not excluding the possibility of new private sector delivery
3	Investigate the feasibility of developing a 'sinking fund' to avoid large leaseholder charges	Agreed, investigation ongoing. An initial review of the potential has taken place and identified a number of possible difficulties. Other models that could achieve the same overall objective are now being looked at.
4	Spread best practice from research project across to other heat networks	Agreed. A draft report from the consultant has now been received and is being reviewed but HSC is right that lessons from this project should be applied as widely as possible.
5a-c	Improve communication... by employing the text message notification service more widely	Agreed. The Council continues to work hard encouraging residents to sign up for text message notification but has not run a stand-alone campaign.
5d	Improve communication... by investigating the use of social media to report outages	Several methods of outage reporting are already used including online though not currently social media. Some estates have their own social media networks for this. The Council has no current plans to use social media in this way but it is an ongoing discussion, especially in relation to the MySouthwark platform.
5e	Improve communication... by providing pro-active support to the vulnerable	Vulnerable resident data has improved through the Covid-19 pandemic and the most up to date information is

HSC recommendation number	Summary of recommendation	Summary of response
		always used to provide proactive support including out-bound calls.
5f	Consider the risk of vulnerable residents carrying hot water around their homes during an outage	The Council seeks to minimise this risk through timing and advance warning for any planned shut downs. For unplanned outages, we seek to keep residents updated as frequently as possible. Resident Services Officers contact vulnerable residents during outages and are best placed to assess risk and determine whether additional support is likely to be needed.
6	Simplify the heating outage compensation process	Agreed. A draft policy is now in place and is being tested. Full roll-out is expected from April 2021.
7	Promptly complete the compensation policy review	Agreed. A draft policy is now in place and the processes behind the policy are being tested. Full application of the policy expected from April 2021.
8	Ensure residents can use other local facilities during outages e.g. leisure centre showers	Agreed. This arrangement is in place already but will be refreshed with Council colleagues and our leisure contractor to ensure it is fully applied.
9	Investigate and resolve reports of noise caused by certain district heating systems	Agreed. Isolated incidents have been thoroughly investigated and some issues resolved. Sadly some issues are proving difficult to resolve fully and are ongoing.
10-13	With regard to individual heat metering: <ul style="list-style-type: none"> <li>• Pursue a tariff with balances energy efficiency and fuel poverty</li> </ul>	Where heat meters are installed, balancing energy efficiency with fuel poverty would indeed important, as would suitable education and training to ease the

HSC recommendation number	Summary of recommendation	Summary of response
	<ul style="list-style-type: none"> <li>• Develop a discretionary aid scheme</li> <li>• Provide suitable education and training</li> <li>• Report back to HSC with further detailed proposals as they are developed</li> </ul>	<p>transition to a new billing system. The concept of a discretionary aid scheme may be appropriate but would need careful consideration at the appropriate time.</p> <p>The heat metering regulations have recently been updated and these are being assessed currently. It is difficult to provide complete clarity at this time, though work on this front is progressing quickly.</p>

**HSC Recommendation #1 – Encourage the use of SELCHP (a low carbon option) through the planning process for example by investigating the use of “Local Development Orders”**

4. The Council agrees with this recommendation and has worked constructively with planning colleagues, consultants and Veolia to develop plans for widening its use of low carbon heat from SELCHP. SELCHP has significant additional capacity to provide low carbon heat to both council buildings and private developments. The primary means of encouraging private developers to connect to an extended low carbon heat network served by SELCHP is via planning policy including the London Plan, the New Southwark Plan, Section 106 agreements and also the energy and carbon requirements of the Building Regulations. Local Development Orders are a further planning tool which have been used in some areas to mandate connection of new buildings to a district heat network by default, unless it can be proved unviable. Details of how Local Development Orders have been implemented in other Local Authority areas have been examined by planning colleagues and consideration given to whether it is deemed necessary / advantageous in Southwark.
5. For securing connections onto privately owned land we don't think an LDO is necessary because we are securing connections through S106 agreements on individual planning applications. S106 agreements are legally binding and fully enforceable meaning that an LDO for this purpose would be surplus to requirement. Most of the largest sites are already secured through the “conventional” planning process, so an LDO doesn't add value, such as speeding up process or adding certainty. The larger developers already know what the Council wants and the revised AAP name checks the S106 process in AAP 3.

6. However, one benefit of an LDO may be where the network extension route is not precisely known, or is subject to change. Since we hope to connect a large number of council housing estates and private developments, some of which will come forward over a period of years, the final route may be subject to regular minor changes. Rather than preparing and submitting a planning application each time there is a change, we could use an LDO to give Veoila similar rights to a statutory undertaker, albeit conditional upon submission of construction management plans, contamination remediation strategies, arboricultural assessments etc. This could speed up the roll-out of any expansion works. A further consideration to this is that the upcoming Heat Market Regulations are set to change the way heat network operators are treated, permitting them similar rights for laying pipes as other utilities have currently. This may mean that the use of an LDO for this purpose loses its relevance. The consideration of LDOs is ongoing.

**HSC Recommendation #2 – Investigate whether some aspects of the district heating service could delivered through the expanded in-house resource, and ensure internal investment options are exhausted before partnering with the private sector.**

7. The HSC is right to say that internal delivery options should be examined carefully before deciding to pursue a private option. There are a number of ways in which the Council contracts with private companies in the delivery of the district heating service – energy supply, internet connections, control systems software, planned and reactive maintenance, compliance, and installation of capital works. All of these contracts have been procured with the relevant level of competition. Many involve further layers of sub-contracting for specialist elements.
8. Our heating works in the main require specialist skills and technology knowledge which in turn require intensive recruitment and ongoing training. Utilising private sector resources in this field allows us access to specialist skills with a much lower overhead cost base. Our ongoing costs have been kept down by competitive procurement.
9. Regarding the utilisation of some now in-house SBS resource to replace some of the private sector capacity to carry out district heating repairs, this will not be a consideration until we have concluded the Repairs Improvement Plan but HSC should be assured that we are focussed on internal delivery wherever possible.
10. One of the main ways that partnership with the private sector has been investigated is the joining together of capital works, operational and maintenance services, and overarching responsibility for heat supply into a so-called ESCo (Energy Services Contract). The Council agrees with the sentiments of the HSC recommendation that in the past, strategic partnerships with the private sector have been costly to set up and run. It

is right to explore all options, include with the private sector, but with a sense of caution that sometimes set up costs are higher than expected, and of course private sector entities only want to run contracts if they can do so profitably. There would, therefore, need to be significant scope for efficiency savings in a private sector delivery model if it were to outweigh an in-house model.

**HSC Recommendation #3 – Investigate the feasibility of developing a ‘sinking fund’ from tenants and leaseholders for maintenance, repair and replacement of district heating systems to avoid large leaseholder charges.**

11. In line with this HSC recommendation, officers have begun investigating the feasibility of developing a “sinking fund” for district heating. Initial conversations with internal parties uncovered a number of difficulties with the traditional sinking fund approach such as:
  - Most leases don’t mention sinking funds and therefore payment into a sinking fund wouldn’t be enforceable without a change in the lease agreements. This would make it a voluntary scheme which some would take up and others wouldn’t, and this in turn would make it very complex to manage.
  - If tenanted properties also contributed to the sinking fund, this would have to come from the HRA which would mean HRA funds couldn’t be used for capital projects in the short term.
  - If capital works needed delivering out of the sinking fund in the near term not enough money would have accumulated and leaseholders would need to pay a further bill.
  
12. In light of these initial difficulties, alternative ways of achieving the same broad goal (avoiding excessive bills to leaseholders) were discussed. One idea that is being explored further currently is the possibilities of ring-fencing certain capital investments within a wholly owned company which could take a loan to pay for the works. The company would then charge the council annually for the use of the capital project assets and the cost of these payments by the Council to its subsidiary would be recouped through charges to leaseholders. This approach would effectively spread the cost to the Council and its leaseholders over a period of time e.g. 10 years and avoid large one off bills. Another advantage of this approach is that the contribution by leaseholders would more closely mirror the period of time that they own the property. However, this idea would need very careful legal and financial consideration to see if it is viable. The Council is currently seeking external legal opinion.

**HSC Recommendation #4 – Spread best practice from DBEIS funded investigation into ways of improving heat networks.**

13. HSC is quite right to recommend the spreading of best practice from the research project funded by the Department for Business Energy and Industrial Strategy. Unfortunately, the project has been slightly reduced in

scope by DBEIS so it now only covers three of the five projects previously identified – Brandon, Newington and Sylvan Grove. A draft report has recently been received from the consultants on this project which is being reviewed by officers at both the Council and DBEIS. It is hoped that once finalised the recommendations can be implemented at the three named sites to prove the concepts, but then rolled out more widely.

### **HSC Recommendation #5 – Improve communications during outages**

14. The Council agrees with the HSC that good communication during heating outages is vitally important. A lot of work has already gone into developing communication plans including a robust text message service as well as newsletters and pro-active communication with vulnerable residents, but we agree that more must be done.
15. HSC recommendation #5 included a number of elements. Points a) to c) were about sourcing more resident mobile phone numbers so that the text message notification service can be employed more widely. District heating newsletters sent out last winter and those sent out this winter, all include a section explaining the text message service and how residents can sign up for it. Calls via the contact centre are the main way that the text message service is enrolled and details kept up to date - as part of the data protection checks, call centre ask callers to confirm their contact number and then ask callers if they would like to receive text message updates. A wider and bespoke campaign to increase the reach of text message notifications, including using other groups and channels to promote it, has not been developed as yet.
16. There are a number of different ways that residents can report outages including via the call centre, via email or via their MySouthwark account. They can receive updates on current outages via the text message service, the live repairs webpage (updated every two hours) and recorded message played when phoning the call centre (also updated every two hours).
17. Point d) in the HSC recommendation #5 was regarding the investigation of whether social media tools could be used to report outages. The Council's is constantly looking at ways to develop its digital communication channels, including MySouthwark as this is a key opportunity to shape specific information that is available to residents relevant to their particular property and estate. These discussions are ongoing internally. Wider social media tools have not been investigated, but it is worth noting that many groups of residents at the estates already use social media for quick communication, include on matters such as heating outages.
18. Point e) in HSC recommendation #5 advises using improved vulnerability data gathered through the Covid-19 response to offer pro-active support during outages. This is already happening as standard. Resident data is

stored centrally on the Council's housing management database which gives Resident Services colleagues appropriate access to information as they provide ongoing and pro-active support to all residents, including those who are vulnerable. The Council's heating contractors are also notified of resident vulnerability. Throughout the Covid-19 pandemic, Resident Services Officers have made out-bound phone calls to thousands of vulnerable residents on weekly, fortnightly and monthly basis, depending on the residents' situation. RSOs also make pro-active phone calls to vulnerable residents when there are heating outages, especially where these prove to be more significant in duration.

19. Point f) in HSC recommendation #5 asks the Council to consider the risk to vulnerable residents of needing to move hot or boiling water around their homes due to heating outages. The HSC report is right to raise this as an issue. A loss of hot water service to properties could well lead to residents, including those with vulnerability, boiling a kettle or pan of water and carry it to a bathroom. The Council seeks to minimise this risk, and the overall impact of loss of hot water, by always commencing planned outages after 9am whenever possible and giving residents two weeks of prior warning. This allows most residents time to wash before the hot water service goes off, or to make other arrangements. The Council also seeks to keep residents aware of how long outages are likely to last. If residents know that heating and/or hot water is likely to come back on in a couple of hours, they can plan accordingly. Residents without hot water service are permitted to use alternative facilities such as leisure centre showers (see further discussion below). And finally, as above, Resident Services Officers (RSOs) do their best to contact vulnerable residents during an outage to offer support.
20. The revised procedure requires RSOs to make out-bound calls to vulnerable residents during an outage, and for engineers to offer fan heaters in cold weather if requested. RSOs are well placed to determine whether vulnerable residents might need extra support and will make referrals to Adult Social Care where appropriate so that a fuller assessment can be made of their support needs.

**HSC Recommendation #6 – Simplify the heating outage compensation process.**

21. The Council agreed some time ago that the compensation process needed to be improved, especially in relation to compensating leaseholders for outages to their homes. A draft policy is now in place and the Council is running a pilot scheme this financial year to test both the costing and feasibility of introducing the process on a large scale to all of our residents. We are anticipating this being in place for the new financial year and are currently in discussions with the cabinet members involved; testing the draft process we have and taking on board their comments on the process.

**HSC Recommendation #7 – Promptly complete the compensation policy review.**

22. The Council has been working with colleagues in customer experience to finalise the policy. We now have a draft policy in place and all that remains is to test that the processes behind the policy are robust and to finalise costing before we go live. We anticipate this all being in place for the new financial year by or before April 2021.
23. The main elements of the new compensation process is to make it as direct, automated and live as is possible, including a flat rate payment of £3 for every day that the outage goes on for.

**HSC Recommendation #8 – Ensure residents can use other local facilities during outages e.g. leisure centre showers.**

24. As the HSC report points out, it is already Council practice that residents affected by heating outages should be able to use other local facilities for washing, such as leisure centre showers. There is an agreement in place between Leisure and Housing that if ever resources are needed the Leisure Team are contacted on an incident by incident basis and this message is passed along to Everyone Active (EA), the Council's leisure contractor. EA are always accommodating but the HSC report identified that some residents have been turned away because leisure centre staff were not aware of the policy. Leisure centres report that there is generally a low take up of the offer and Council officers have begun to liaise with colleagues to identify how procedures can be put in place to ensure all appropriate leisure centre staff are suitable informed and if there are other ways in which the offer to residents could be improved.

**HSC Recommendation #9 – Investigate and resolve reports of noise pollution caused by the district heating systems at the Aylesbury and Brandon estates.**

25. The HSC report is quite right to point out that nuisance noise has been an issue in a couple of locations, though these are very isolated cases. In these instances, the Council has taken steps to investigate the reports of noise as thoroughly as possible. Some issues have been resolved but there are also investigations ongoing. This involves a process of elimination in plant rooms, blocks and in dwellings.

**HSC Recommendation #10 – If individual metering is introduced, a balance of energy efficiency and protecting vulnerable residents should be pursued through a blended tariff.**

**HSC Recommendation #11 – If individual metering is introduced, a discretionary aid scheme for those with special heating requirements should be implemented.**

**HSC Recommendation #12 – If individual metering is introduced, this should be accompanied by a programme of education and training so**

**that residents understand how to use meters and any new payment systems.**

**HSC Recommendation #13 – Further detail and proposals on metering and other changes relating to heat market regulation should be returned to HSC in the future.**

26. Taking HSC recommendations 10-13 all together as they all relate to heat metering, it is worth stating that the Heat (Networks) Metering and Billing Regulations have just been updated in November 2020. Buildings are put within three broad classes – “viable” (those which must install heat meters without any form of cost-effectiveness test), “open” (those which need to carry out a cost-effectiveness test) and “exempt” (those which don’t need to install a meter to comply with the legislation). A new cost-effectiveness appraisal tool was released which is used with all buildings in the “open” class. The impact of the updated regulations is still being worked through by officers.
27. The HSC report identifies that while the primary driver behind the heat metering regulations is a desire to reduce wastage and improve efficiency but that this needs to be balanced with a need to provide sufficient heat to residents at an affordable rate, especially to those who are vulnerable or who may need more heat or hot water for medical reasons. While the actual heat metering approach and tariff setting are still under consideration, the principles outlined here will indeed guide their development.
28. Regarding the establishment of a discretionary aid scheme, this has not as yet been considered in any detail, but as above, the heat metering and tariff approach is yet to be defined. It is possible that some kind of cost capping process for high users may be appropriate, to prevent excessively high bills while also encouraging efficient use. The basis for where and when this could be applied would need to be considered.
29. Regarding the provision of adequate information and training to residents on how to use heat meters and any associated billing systems is absolutely critical. For residents that do end up moving onto a metered system this will be a big change from having heating charges collected through the rent accounts, or through leaseholder service charges. One notable change within the updated regulations is that sheltered and supported housing is deemed to fall within the “exempt” class. This means that many of the Council’s most vulnerable residents will not in most cases need to adjust to the way that they pay for heating.
30. More fulsome proposals on the roll out of individual heat meters, and the type of tariff to be applied (ref Recommendation #13) will be presented within the upcoming Heat Networks Strategy paper.

**Policy implications**

31. There are no direct policy implications.

**Community impact statement**

32. The district heating service affects all tenants and leaseholders connected to one of the Councils heat networks, which comprises of some 17,000 properties. Our commitment to providing affordable, reliable and low carbon heating is one of the Councils key priorities and also works towards our commitment to make Southwark Carbon neutral by 2030. Vulnerable residents could be more adversely affected by heating outages, though all residents have a right to expect a warm home.

**Resource implications**

33. There are no specific resource implications arising from this report. Issues are being addressed within the heat networks strategy.

**Legal implications**

34. There are no specific legal implications arising from this report.

**Financial implications**

35. There are no direct financial implications arising from this report.

**BACKGROUND DOCUMENTS**

Background Papers	Held At	Contact
<b>Link: (please copy and paste into browser)</b> <a href="#">District Heating and Heat Networks Report from Southwark Housing Scrutiny Commission September 2020</a>	Southwark Council Housing and Modernisation Hub 3, 3rd Floor PO Box 64529 London SE1P 5LX	<a href="#">Housing and Community Engagement Scrutiny Commission</a>

**APPENDICES**

No.	Title
None	

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Pollak, Housing	
<b>Lead Officer</b>	Michael Scorer, Strategic Director Housing & Modernisation	
<b>Report Author</b>	Tom Vosper, Strategic Project Manager – Heat Networks	
<b>Version</b>	Final	
<b>Dated</b>	7 January 2021	
<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 Governance	No	No
Strategic Director of Finance and Governance	No	No
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>	7 January 2021	

<b>Item No.</b> 22.	<b>Classification:</b> Open	<b>Date:</b> 19 January 2021	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Authorisation of Debt Write-offs over £50,000 for National Non Domestic Rates – Exchequer	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Rebecca Lury, Finance and Resources	

## **FOREWORD - COUNCILLOR REBECCA LURY, CABINET MEMBER FOR FINANCE AND RESOURCES**

National Non-Domestic Rates (NNDR) – sometimes known as business rates – are a form of local property tax. NNDR levels are set by the Government - not the council - but NNDR paid represents the contribution by businesses with premises in the borough to the cost of providing local services and broadly reflect the rental values of properties that businesses occupy.

The Government has policy responsibility for NNDR and the council is responsible for collecting NNDR in Southwark. Historically, collection rates in Southwark have been very high with a performance in 2019-20 reaching 99.7%. Last year's performance was among the very best in London further demonstrating the council's diligence and effectiveness in collecting business rates.

However, as with all forms of taxation, there will be exceptional cases where NNDR due cannot be recovered, and the council has well established and robust policies for dealing with such situations including writing off debts where all other options have been exhausted.

The cost of business rates write offs is shared by the council, the Greater London Authority and the Government and are contained within the council's bad debt provisions

## **RECOMMENDATIONS**

1. That approval is given to write off a debt of £92,397.63 deemed irrecoverable under the council's policy.

## **BACKGROUND INFORMATION**

2. Under the councils constitution a decision to write off debts with a value of more than £5,000 and less than £50,000 is delegated to individual Members within their own service area. Debt write-off under £5,000 can be authorised by Chief Officers. Recommendations to write off any debt over £50,000 must be referred to cabinet for authorisation.

3. There are a number of key reasons why the council may decide to write-off a debt.

These are:

- i. The debt cannot be substantiated i.e. there is no documentary evidence that the debtor accepted the goods or services with the knowledge that a charge would be made.
- ii. The debt is uneconomic to collect i.e. the cost of collection, including substantiation, is greater than the value of the debt.
- iii. The debt is time barred, where the statute of limitation applies. Generally this means that if a period of six years has elapsed since the debt was last demanded, the debt cannot be enforced by legal action.
- iv. The debtor cannot be found or communicated with despite all reasonable attempts to trace the debtor.
- v. The debtor is deceased and there is no likely settlement from the estate or next of kin.
- vi. Hardship, where permitted, (not hardship relief) on the grounds that recovery of the debt is likely to cause the debtor serious financial difficulty.
- vii. Insolvency where the organisation or person has gone into bankruptcy and there are no assets to claim against.

## **KEY ISSUES FOR CONSIDERATION**

### **Policy implications**

4. The debt set out in this report is recommended for write off in accordance with the council's agreed write off policies and procedures. The reason for recommending is that the organization or business has gone into bankruptcy and there are no assets to claim against.
5. All reasonable efforts have been made to trace the account holder/debtor using standard procedures including:
  - Interrogation of the NNDR database
  - Interrogation of the Document Imaging System
  - Tracing letters issued to other local authorities & solicitors
  - Inspection of the domestic or business premises
  - Land Registry searches
  - Companies House searches
  - Tracing letter to landlords or letting/managing agents & directors
  - Letter sent to the Official Receiver for confirmation of any dividends to be paid and
  - Checks made with other council departments.

6. Additionally, any debt recommended for write off is always subject to further internal scrutiny commensurate with the value of the debt. That scrutiny takes place before any recommendation is submitted to the cabinet member or cabinet. The council's NNDR officers use a minimum of three tracing methods and conduct a 10% audit review of cases under £5,000, a 50% audit review of cases £5,000 to £50,000 and 100% on cases over £50,000 to check that the correct procedures have been followed and to provide further assurance.

### **Resource implications**

7. The total Non Domestic Rates debt recommended for write off is £92,397.63; the value of one debt, from one business that is no longer trading, and now deemed irrecoverable.
8. As per paragraph 3 the schedule of write-offs has been compiled in accordance with the council's agreed policy and procedures.
9. The recommended write-off of £92,397.63 for National Non Domestic Rates will be contained within the councils relevant bad debt provisions.

### **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

#### **Director of Law and Governance**

10. The report recommends that the debts set out in Appendix 1 to the closed report are written off in accordance with the council's policies and procedures on debt write-off.
11. The approval of debt write-offs for sums over £50,000 is reserved to the cabinet for decision making. These particular debts have arisen as a result of non payment of national non domestic rates (NNDR).
12. The report sets out the circumstances whereby debts can lawfully be written off by the council and this includes cases where a ratepayer has been declared bankrupt and there are no assets to claim against. The ratepayer in Appendix 1 (of the closed report) had been declared bankrupt and has no assets. In such circumstances, there are no means available to successfully pursue the debt.
13. The director of law and governance considers the proposed write-offs to be in accordance with the council's procedures and lawful.

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

14. The strategic director of finance and governance agree with the recommendation that this debt should be written off in accordance with procedure and is lawful.

**BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
None		

**APPENDICES**

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

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Rebecca Lury, Finance and Resources	
<b>Lead Officer</b>	Dominic Cain, Director of Exchequer	
<b>Report Author</b>	Norman Lockie, Head of Income Operations	
<b>Version</b>	Final	
<b>Dated</b>	5 January 2021	
<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 Governance	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>	5 January 2021	

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