

<b>Item No.</b> 11.	<b>Classification:</b> Open	<b>Date:</b> 15 September 2015	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		New Homes Delivery Programme	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Mark Williams, Regeneration and New Homes	

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

As the housing crisis in London continues, in Southwark we are doing all we can to meet this challenge head on and deliver the homes that our residents need. We have a strong track record of delivering new affordable homes with developers and housing associations. In the past five years we have delivered 3,754 new affordable homes, the second highest for any borough in the country, including 1,856 at social rent.

A key part of our plan to tackle the housing crisis is our commitment to build 11,000 new council homes by 2043, with the first 1,500 by 2018. No other borough in the country has as an ambitious a programme to build new council homes, and we are leading the way in delivering genuinely affordable housing for our residents.

This report updates on progress on these plans, and sets out further sites that will be considered as part of our direct delivery programme, which is building new homes on our existing housing land and estates.

Following this report there will be further consultation with local residents, tenants and residents associations, and local ward members. We will work closely with them to develop detailed plans for each of these sites and work with officers and architects as they are appointed. This report also sets out a new process for considering potential sites and how ward members and local residents will be involved.

## **RECOMMENDATIONS**

### **Recommendations for the Cabinet**

That the cabinet

1. Agrees in principle that the schemes listed in paragraph 9 are worked up in accordance with the individually identified recommendations and in line with the Charter of Principles for inclusion in the New Homes Delivery Programme.
2. Notes the consultation undertaken on schemes in paragraph 9 to date.
3. Notes the rehousing options in paragraphs 14-16 available to residents impacted by any potential development, as outlined in the Charter of Principles.

### **Recommendations for the Leader of the Council**

That the Leader

4. Agrees to delegate the approval of future schemes for inclusion in the New Homes Programme to the cabinet member for regeneration and new homes, as outlined in paragraph 22.

## **BACKGROUND INFORMATION**

5. Improving housing in Southwark is at the centre of the council's plans to create a Fairer Future for all, regardless of whether residents are social housing tenants, council leaseholders, private renters or homeowners. Access to appropriate, good quality, affordable homes is important not just for residents but also to the wider economy and essential to shaping a borough that all residents are proud to call home and which is truly sustainable into the future.
6. In order to deliver the council's historic commitment to build 11,000 additional council homes by 2043, cabinet has set an interim target of the delivery of 1,500 new council homes by 2018.
7. In July 2015, cabinet received an update on progress towards achieving the 1,500 target and noted that a report would go to cabinet in September for approval of new sites. In addition, that consultation in partnership with the community engagement team had begun on those sites in line with the Charter of Principles agreed by Cabinet.

## **KEY ISSUES FOR CONSIDERATION**

### **Proposed Sites**

8. A number of sites have been identified as potential schemes for inclusion in the programme. At this stage only site visits and initial desktop assessments of their suitability have been made. The proposed new sites are outlined in the table in appendix 1.
9. Outlined below is a summary of the sites and the initial consultation undertaken:
  - a) 39-44 Rutley Close, Brandon Estate, SE17  
Currently there are six one bed flats situated on a podium above disused underground car parking on the Rutley Estate. Initial visits have been made to the residents to advise them of the potential development, and that the scheme, if progressed, would necessitate the decanting of their homes. Issues raised by residents included the option to be rehoused in the local area and whether there would be an option to return to the completed development. In addition, a presentation was given to the T&RA meeting on the 1<sup>st</sup> July. Initial views expressed at the meeting covered the impact on the neighbouring blocks, potential overlooking, the non-reinstatement of the parking and whether the estate would benefit from public realm improvements if the development proceeded.
  - b) Salisbury Estate car park, SE17  
The car park is situated on the edge of the estate on the Balfour Street / Chatham Street corner, with a small road in between and offers an excellent development opportunity. The site was considered for inclusion within Phase

2 of the programme, but initial view from the T&RA at that stage was that they would not support a development. Officers attended the T&RA meeting on the 4 August to give an updated presentation on the New Homes Delivery Programme and raised the possibility of investigating whether a suitable development could be worked up for the car park site, working in partnership with residents. The general feedback from the T&RA remained that they could prefer to retain the car park, particularly taking into account the additional parking stress created in the area by recent neighbouring developments. As part of the feasibility process, a car parking survey will be carried out to assess the usage of car park and other parking bays within the estate so to model the impact of reduction in parking options.

c) Edmonton Court, Canada Water Estate, SE16

This is on the edge of Canada Estate, near taller blocks on the Howlands Estate, and adjacent to the private Neptune Estate, and King George's Field park. It comprises 21 units, including one leaseholder. At three storeys it is lower rise than other blocks on Canada Estate which are all a minimum of four storeys high, including two blocks, Columbia and Regina Points which are considerably taller. Following on from previous consultation including two drop in sessions with residents about possible new homes development on Canada Estate, officers met with T&RA representatives in July 2015 to provide an update and discuss new homes development on the estate including Edmonton Court. The T&RA has been supportive of the proposal to develop Renforth Street car park on the estate which has been included in Phase 2 New Homes Delivery Programme. The T&RA were also supportive of a proposal to decant Edmonton Court with possible rehousing for residents to the new homes in the Phase 2 development. Previously the T&RA expressed a preference for a multi-level block to be built on the footprint of the Edmonton Court site. Officers have visited Edmonton Court residents to discuss options with them, prior to consulting more widely on the estate

d) Mayflower T&RA Hall, SE16

The site is well-located on Howlands Estate SE16 in Canada Water Action Area adjacent to Lower Road. Adjacent blocks are 3 to 7 storeys in height. The hall is currently managed and used by Mayflower T&RA. Following previous briefings which recommended the closure of the hall due to its poor condition, in July 2015, officers met with the member for Housing and ward councillors to discuss the inclusion of the hall as a potential new homes site. In the short term, a temporary meeting space will be provided and the preferred longer-term option is for a community centre to be included in plans for any new homes development. The T&RA have advised that due to pending elections, the first opportunity to meet with them will be following their AGM on 28 September. They feel as they have a number of questions and concerns about the plans for the hall, it would be most appropriate for the initial consultation to be with the newly elected committee. Wider consultation with residents would follow.

e) Underground Garages, Silverlock Estate SE16

The potential site is a podium with underground garages and a ball court on top, in front of Tissington Court, running along Rotherhithe New Road, on the edge of the Silverlock Estate. A presentation on the New Homes Delivery Programme was given to the Tissiba and Haddonfield T&RA on the 1<sup>st</sup> July and it was noted that the site was proposed for inclusion in Phase 3. Initial concern was raised about the loss of the ball court, the impact on surrounding

blocks and the need to retain some garages which have recently been refurbished. The T&RA also covers Haddonfield Estate, which has a potential site in Phase 2.

f) Sceaux Gardens Estate SE5

A walkabout was held with members and T&RA representatives in April to consider potential sites for new homes on the estate. A garage site on the edge of the estate was highlighted as well as the potential for redevelopment of Florian and Racine, two single storey row of 33 homes, which sit between Marie Curie House and Lakenal House. One of the homes is leasehold. New build homes are already planned on the estate, and the refurbishment of Lakanal House is currently ongoing. Therefore any potential scheme(s), especially if including a decant element, is likely to have a longer time frame in order to minimise disruption to residents and allow for a co-ordinated approach to redevelopment and new build homes. Officers attended the T&RA meeting on the 15<sup>th</sup> July. Initial comments from residents covered the height of any potential new build homes, implications for tenants / leaseholders and how many units could be developed in replacing existing units. It was agreed to meet again with the T&RA, following this report being received by Cabinet and architects being appointed to work up a capacity study. In addition officers met with a representative from the Camberwell School of Arts to ensure that any development on Sceaux Gardens takes into account proposed linkages to the college site development.

g) Rye Hill Park Garages, Rye Hill Estate SE15

Garages adjacent to 2-32 Peckham Rye. The site consists of a bank of approximately 15 garages situated off Rye Hill Park. Officers attended the T&RA meeting on the 11<sup>th</sup> August. Initial comments from residents included concern over loss of garages due to previous experience of damage to vehicles in the area; height of potential new build homes and views from existing buildings. The committee expressed support for the scheme subject to it being all council rented. It was noted that residents whose housing circumstances have changed and wish to remain in the area would benefit from the 50% local lettings policy. Officers agreed to meet again with the T&RA following the appointment of architects.

h) Seavington House & Garages, Champion Hill Estate, SE5

This site, at the junction of Dog Kennell Hill and Champion Hill currently accommodates Seavington House, a ten unit bedsit block, all rented and a row of garages. Consideration has been given previously to developing the site in conjunction with a proposed development of the adjoining site fronting Dog Kennell Hill, currently occupied by 6 private houses. However, this process has been ongoing for a number of years. Initial visits have been made to the residents of Seavington House, to advise them of the potential of redevelopment, and the impact on them in terms of the need to be rehoused. The initial feedback was generally positive, with residents keen to remain in the local area. The Champion Hill T&RA is not currently functioning. It is proposed to proceed with developing a stand alone development for the site, albeit not closing the option of a wider redevelopment of the area in partnership with the developer, should this be achievable within a reasonable timescale.

10. As outlined in Appendix 1, it is estimated that 218 homes could be built on the sites identified, with 184 being council rent. The estimated numbers for each development are only indicative, based on a desktop evaluation, taking into account the relevant planning policies.
11. It is projected that the sequence of the construction stages across the sites will range from 2016/17-2017/18.
12. As highlighted in paragraph 9, Members need to be aware that during the initial consultation there was significant local opposition on a number of the potential schemes. Concerns raised included the loss of existing facilities, including garages and car parking, increased density and impact on existing homes. In all cases, officers emphasized the benefits of the new build proposals, including the local letting policy, addressing areas of underuse and the potential for investment opportunities for the existing estate. In addition, that any proposals would be worked up in line with the Charter of Principles, with the commitment to work with residents at every stage. However, local concerns about the proposed new build homes will remain a risk to achieving the programme noted in paragraph 10 and 11.
13. Appendix 2 maps all the schemes in the wider new homes programme that been approved, including those for which approval is sought in this report. The schemes include those being led by the New Homes Delivery Team in Major Works, Southwark Regeneration in Partnership (SRIP) and S106 purchases. For schemes identified within the Leather Market JMB area discussions are underway with the JMB concerning delivery of those schemes. Appendix 3 lists these schemes in terms of their current status, delivery route and estimated number of new homes to be provided. It should be noted that most of the schemes are at the pre-planning stage and therefore not certain of delivery and subject to change. Appendix 3 also includes the overall numbers of Hidden Homes schemes which have either been completed, are on site or at feasibility stage. The Hidden Homes programme involves the conversion of redundant spaces, such as laundry and meeting rooms, into new homes. As such, developments tend to be limited to one or two new homes on an estate and therefore have not been included on the Appendix 2 map. The total estimated rented homes in the programme shown in Appendix 3 are 1375. There are already further sites which are being appraised for suitability for inclusion within the programme and as noted in paragraph 21, 86 suggestions have so far been received from residents via the interactive map. In addition, going forward, windfall sites will boost delivery opportunities and the range of delivery options within the overall programme, including S106 purchases will enhance new build opportunities.

### **Housing Options for Local People**

14. As noted in paragraph 9, four of the potential schemes in the proposed programme could necessitate the decanting of residents to enable the development of new homes. Residents potentially impacted at Rutley Close, Seavington House and Edmonton Court have been visited and reassured of the processes that would be put in place in the event of any decanting. These include homeloss and disturbance payments, rehousing options and support to help them through the process. In the case of Florian and Racine on Sceaux Gardens Estate, as any redevelopment would be on a longer time frame due to the redevelopment already planned on the

estate, initial discussions have been held with the T&RA. It is proposed that one – to one consultation is held once any redevelopment plans and timescale are clearer.

15. An initial assessment of tenants currently registered for rehousing on the neighbouring estate indicates there would be demand for the 50% of the units to be made available for local lettings. Noting the delivery programme in paragraph 11, demand will change during this period and the opportunity for Local Lettings will be actively promoted.
16. Pledge 6 of the Charter of Principles for the new homes programme established the following rehousing options for residents affected by redevelopment of their estate.
  - a) We will ensure that leaseholders and homeowners affected by redevelopment get access to dedicated advice, support and information on their options for the future. This will include, where it is necessary, offering a full range of options for rehousing including shared ownership and shared equity, and any loss, compensation or disturbance payments residents may be entitled to.
  - b) The programme aims to benefit local people, and any tenant or leaseholder wanting to stay in an area where development takes place will be offered options to do so.
  - c) We want to make most effective use of the new stock to make sure it is let fairly and in a way that deals with any specific local issues and concerns, and contributes to sustainable and mixed communities. We will work with residents to give them a say on lettings so that, for example, we make provision for those freeing up under-occupied properties, and to ensure that lettings take account of local circumstances.
  - d) Where tenants of the new homes want to move they will have the same rights to transfer and exchange their homes as any other Southwark tenant.
  - e) In addition to those that need to be rehoused in the new council homes for the development to take place, at least half of the remaining new council homes we develop will be available to other tenants in housing need on the estate at the first letting to make sure that local residents affected by redevelopment get a fair deal.

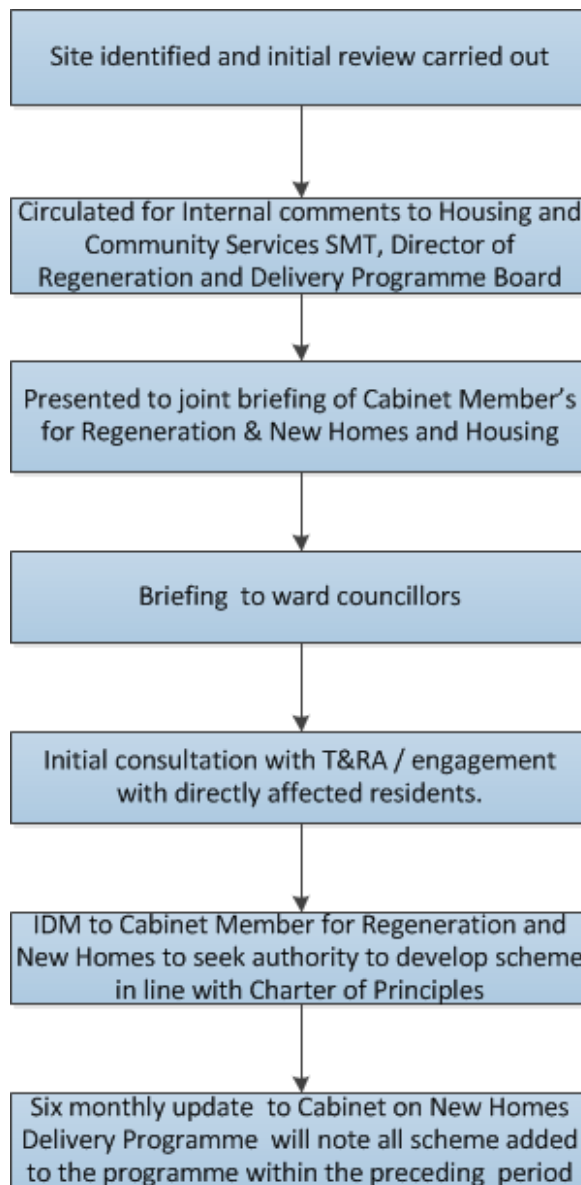
### **Consultation and Next Steps**

17. As noted in paragraph 9 initial consultation has been (currently in progress) undertaken on the proposed sites.
18. It is proposed that a consultation strategy is developed for each project, in line with the Charter of Principles. The initial stage will be working with the T&RA and the wider community and ward councillors to create project teams for the project. Working with the T&RA to hold drop-in sessions will be a key method in increasing community participation in the consultation process.
19. The council is in the process of procuring a number of architects and employers agents to develop phase 2 schemes and, subject to performance review, it is likely their appointments will be extended to include future schemes. The first

step will be to develop capacity studies for the sites, working closely with the in-house planning consultant and the project group. In addition, schemes will be run through the council's appraisal at feasibility stage to ensure they are viable.

### **Revised Process for including schemes in the New Homes Programme**

20. To date, the schemes within the programme have been allocated to specific phases and the individual phases have been approved by Cabinet.
21. **Current Process:** Sites are currently being brought to the attention of the New Homes Delivery Team for investigation from a variety sources, including ward members, T&RA's, internal colleagues and via the inter-active sites map. An initial site investigation is carried out on all sites put forward and initial checks carried out including searches to identify any potential site constraints. Currently, sites with real potential for new homes are then added to the programme. A list of new sites is circulated internally for comment and then presented to the Delivery Programme Board and Cabinet Member for Regeneration and New Homes, seeking approval to commence initial consultation with the community in line with the Charter of Principles. Thereafter, Cabinet approval is sought for potential sites to be added to the programme. The interactive map has received a significant number of suggestions from local residents in terms of potential sites for new council homes. To date we have received 86 suggestions of sites where residents consider the council could build new homes. These are yet to be assessed by the New Homes Delivery team but will be over the next few months. In total, we have received 159 comments on the interactive map – including comments on sites suggested by other users
22. **Revised Process:** Taking into account the volume of potential sites which are being brought to the attention of the New Homes Delivery Team, and acknowledging the need to accelerate the development programme in order to meet the target of 1,500 new homes by 2018, it is proposed that the process map shown below for including new sites within the programme be adopted, moving to a programme approach. A key element of the process will remain the initial consultation. Following a joint briefing of Cabinet Members for Regeneration and New Homes and Cabinet Member for Housing, local ward members will be formally briefed on proposed schemes within their ward. Following on there will be initial consultation with T&RA's and engagement with directly affected residents. Consideration will be given on a scheme by scheme basis to the most appropriate form of consultation, which could include meetings or drop-in sessions. Existing phases 1 and 2 and future sites will be merged into an overall development programme, with a six-monthly update to cabinet. This will streamline the process, whilst ensuring that the necessary approvals and consultation remain in place. If at any stage of the process a decision is taken not to progress with a site, the originator of the suggestion will be advised accordingly. The key approval point for inclusion of a site in the programme will be an IDM to the Cabinet Member for Regeneration and New Homes, in consultation with the Cabinet Member for Housing. .



## Policy implications

### Council plan 2014/15 to 17/18

23. A new council plan was endorsed by Council Assembly on 25 February 2015. This contains the Fairer Future Promise: **Quality affordable homes**, which states 'We will improve housing standards and build more homes of every kind, including 11,000 new council homes with 1,500 built by 2018'.
24. The approval of the new sites within the New Homes Delivery Programme and a revised process for including new sites within the programme provide further evidence of the ability to meet this Fairer Future promise.

### Housing Strategy to 2043

25. The new long-term housing strategy for the borough was agreed by Cabinet on 27 January 2014. It contains a vision for the future of housing in the borough,



which consists of four principles.

- Principle 1: We will use every tool at our disposal to increase the supply of all kinds of homes across Southwark.
- Principle 2: We will demand the highest standards of quality, making Southwark a place where you will not know whether you are visiting homes in private, housing association or council ownership.
- Principle 3: We will support and encourage all residents to take pride and responsibility in their homes and local area
- Principle 4: We will help vulnerable individuals and families to meet their housing needs and live as independently as possible.

26. The approval of the new sites within the New Homes Delivery Programme will allow the development of new homes of all tenures, particularly council homes, resident engagement over the new homes and provision of new housing to meet a range of housing needs addressing these strategic objectives. In addition, streamlining the approval process will assist in addressing the objectives.

### **Community impact statement**

27. Southwark is a borough which has high levels of housing need. The 2014 Strategic Housing Market Assessment demonstrated a continuing need for affordable housing, with the borough experiencing very high house prices that are outside the reach of many of its residents. It has the highest house prices in the housing sub-region (the average 2 bedroom flat being sold for £360k in 2013). At the time of the 2011 census there were 18,547 overcrowded households in Southwark, a higher number, and a higher percentage (15.3%), than any of the other four boroughs in the sub-region. Over the period 1981-2012 the population of Southwark increased by 34%, the fastest growth in the sub-region by some margin. This helps to demonstrate a continuing need for more homes, and particularly for affordable homes in the borough.
28. The Public Sector Equality Duty 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 consultation with residents on the 11,000 council homes programme has been specifically designed to be inclusive of all the borough's communities and provide a range of mechanisms to provide residents with the opportunity to engage. Consultation strategies will be developed for all future schemes in line with Charter of Principles.

### **Resource implications**

29. The new sites are estimated to deliver 218 new homes in the borough, of which 184 will be let as social rent. The rental income will make a positive contribution to the HRA business plan.
30. Funding streams for the New Homes Delivery Programme currently comprise: external grants, Section 106 contributions, RTB and other housing receipts, depreciation and other HRA revenue contributions and prudential borrowing (which is limited to the debt cap). Funding is determined on a scheme by scheme basis to ensure the optimal financial position for the council in relation to new build, as they

are subject to specific financial and regulatory restrictions.

31. All schemes within the New Homes Delivery programme will be subject to a viability assessment and will need to address the implications of the recent Budget announcement of the 1% yearly reduction in rents, as well as the impact of any right to buy on completed homes. Any negative impact may need to be mitigated by reviewing the tenure mix on schemes, potentially increasing the number of homes for outright sales.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Director of Legal Services**

32. The report refers to the council's central commitment to the delivery of additional council homes within set time scales. The intention is to try to make the process of meeting the challenging targets somewhat more efficient.
33. There continues to be a requirement that consultations are carried in such a manner that the relevant section of the public has sufficient information to allow them to consider the proposal, that there is adequate time for the proposals to be considered and responses formulated, and that the outcome of the consultation is taken into account before any decision is taken.
34. Furthermore, the Council must continue to take into account the public sector equality duty. Paragraph 28 of the report refers to the importance of this duty and has emphasised that the consultation has been specifically designed to be inclusive of all the Borough's communities.
35. This report asks the Cabinet to note the consultation which has been undertaken and the rehousing options available to residents. Further the Cabinet is asked to agree that the specific schemes identified at paragraph 9 should receive further attention as a result of the significant local opposition to the proposals. Finally, the Cabinet is asked to agree a more streamlined process for approving schemes as outlined in paragraph 22 of this report. This will involve the delegation of the ultimate decision as to whether future schemes are to be included in the New Homes Programme to the Cabinet Member for Regeneration and New Homes in consultation with the Cabinet Member for Housing.
36. Further legal advice will be provided as the project progresses further and a decision on the final proposals will be taken in accordance with the Council's constitutional decision making process

### **Strategic Director of Finance and Corporate Services (FC15/015)**

37. This report is requesting cabinet to agree in principle the schemes listed in paragraph 9 are worked up in accordance with the individually identified recommendations for inclusion in the New Homes Delivery Programme as detailed in the report
38. The report is also requesting cabinet to note the consultation undertaken and the rehousing options for the sites identified in this report and also agree the delegation process of future schemes for inclusion in the New Homes Delivery Programme by the Cabinet Members for Regeneration and New Homes and

Housing. Full details are provided within the main body of the report.

39. The strategic director of finance and corporate services notes that the New Homes Delivery Programme is expected to be financed from a combination of funding sources as reflected in the financial implications and these will need to be confirmed before the schemes are progressed.
40. Staffing and any other cost connected with this report to be contained within existing departmental revenue budgets

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Cabinet paper : progress update on the council's housing investment plans (Item 12)	Housing and Community Services, Southwark Council, 160 Tooley Street, London SE1 2QH	Claire Linnane, Housing Strategy and Partnerships Manager. 0207 525 0732
<b>Link:</b> <a href="http://modern.gov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=5138&amp;Ver=4">http://modern.gov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=5138&amp;Ver=4</a>		

## APPENDICES

No.	Title
Appendix 1	Proposed new sites for New Homes Programme
Appendix 2	Map showing approved & proposed New Homes schemes
Appendix 3	New Homes programme

## AUDIT TRAIL

<b>Cabinet Member</b>	Councillor Mark Williams, Regeneration and New Homes	
<b>Lead Officer</b>	Gerri Scott, Strategic Director of Housing and Community Services	
<b>Report Author</b>	Tim Bostridge, Development Delivery Manager	
<b>Version</b>	Final	
<b>Dated</b>	3 September 2015	
<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 Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>	3 September 2015	