

Cabinet

Tuesday 19 July 2016

4.00 pm

Ground Floor Meeting Room GO1A, 160 Tooley Street, London
SE1 2QH

Supplemental Agenda No. 1

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Date: 11 July 2016

Item No. 22.	Classification: Open	Date: 19 July 2016	Meeting Name: Cabinet
Report title:		Kipling Garages, Weston Street, Bermondsey, SE1 – Housing Grant Agreement	
Ward(s) or groups affected:		Grange	
Cabinet Members:		Councillor Stephanie Cryan, Deputy Leader and Cabinet Member for Housing Councillor Mark Williams, Cabinet Member for Regeneration & New Homes	

FOREWORD - COUNCILLOR STEPHANIE CRYAN, DEPUTY LEADER AND CABINET MEMBER FOR HOUSING & COUNCILLOR MARK WILLIAMS, CABINET MEMBER FOR REGENERATION AND NEW HOMES

We are committed to providing good quality social housing across the borough and this report seeks to cement our partnership working with the Leathermarket JMB by enabling them to deliver a ground breaking resident led, genuinely affordable housing development project on the Kipling Estate. The partnership provides a great opportunity for residents to have a greater stake in the delivery of new homes which will be at council rents.

The Leathermarket Community Benefit Society (CBS) business plan underpins how they will deliver the project and is an exciting and innovative solution to help meet our commitment to build more genuinely affordable homes in the borough, whilst also enabling council tenants and homeowners to take greater control over their homes and local area.

RECOMMENDATIONS

That the Cabinet:

1. Note that officers have carried out a due diligence exercise on the Leathermarket Community Benefit Society in connection with the application for funding of a development of 27 new council funded homes at council rents on the Kipling Garages site and that this has informed the officer recommendation to cabinet.
2. Notes the Leathermarket CBS business plan and that this shows a viable position over 30 years.
3. Agrees the attached draft grant agreement to enable the development of land on the Kipling estate, Weston Street, London SE1 (“the Property”), as shown edged in black on the plan attached at Appendix 1 of the report, by the Leathermarket Community Benefit Society Limited (CBS) to a maximum sum of £9,252,000.
4. Authorises the Director of Regeneration to finalise the detail and enter into the housing grant agreement covering the development of the Property. This is to include the insertion of clauses on letting the new homes at council rents, the council’s normal policies on London Living Wage and social value through for

example apprenticeships and requirements relating to the practice of blacklisting' as set out in the council's Fairer Future Procurement Strategy.

5. Notes that an interim payment of £347,997.60 was made to Leathermarket CBS in December 2015 to allow the development of the scheme to continue. This takes the total council funding (including S106) to £9,661,815.
6. Authorises the release of £3,033,635.40 from the Council's Housing Investment Programme (HIP) as part funding of the scheme.
7. Notes that it is intended that the council's planning committee will receive a report requesting the release of Section 106 monies to part fund 65 % of the scheme.

BACKGROUND INFORMATION

8. In 1996 Southwark Council outsourced the management of around 1500 homes in North Bermondsey to the Leathermarket JMB. This decision proved successful as the Leathermarket JMB has had three successful continuation ballots with the latest seeing a 76% turnout and a 93% approval of secure tenants. Subsequently the council agreed to make the JMB the country's first self financing Tenant Management Organisation.
9. The JMB is seeking to build on the confidence of the council and its residents and support Southwark to deliver 11,000 new genuinely affordable homes. They propose a development of up to 27 units all of which will be let at council rents.
10. The JMB has identified that by working with local residents, designing homes that meet local needs, in a way that is sympathetic to the immediate neighbours and allocating a proportion of these to residents on the estate, they can achieve much greater levels of local support than an outside developer would achieve. This enables the JMB to unlock contentious sites and hidden homes.
11. Following the last continuation ballot and concerns expressed at that time, the JMB undertook a detailed housing needs survey of the entire JMB estate. This housing needs survey identified a significant number of LMB tenants (30%+) who wish to move to larger or smaller properties. If the JMB can enable under occupying tenants to downsize, this will release larger properties, which will in turn meet the needs of tenants who are overcrowded.
12. Through a process of analysis of the JMB estate, in conjunction with professional advisors, a number of potential development sites have been identified which include the Kipling Garages Property at Weston Street.
13. The establishment of the Leathermarket CBS enables the JMB to continue focusing on its core activities of managing and maintaining its existing housing stock. The CBS is the first of its kind to be established in the country and is governed by a board of directors.
14. A professional team has been appointed by the Leathermarket CBS and includes Igloo Regeneration as development managers and Southwark based Bell Phillips as architects.
15. The council's cabinet on 16 September 2014 authorised the cabinet member for finance, strategy and performance to agree the heads of terms and likewise the

head of property to be authorised to both enter into an agreement for lease and grant a long leasehold interest in the Property, to the (CBS) on the terms outlined below;

Lessee: Leathermarket CBS

The Term: 125 years

The Reserved Rent: One peppercorn

Permitted Use: Residential Social Rent

16. The agreement for lease contains certain conditional matters which need to be fulfilled before the lease can be granted. The conditional matters are
 - Satisfactory preliminary site investigations
 - Grant of satisfactory building consents
 - The CBS having sufficient funding in place.
17. All site investigations were successfully carried out completed some time ago. The planning application 15/AP/2703 was submitted on the 01 July 2015 after being presented to the Council's design review panel in May 2015. It is understood that this application will be determined shortly by planning officers after completion of the negotiations for a new Section 106 planning agreement.
18. The Leathermarket CBS has explored a number of funding options. Through a series of discussions, negotiations and a careful appraisal of the scheme costs it has been considered appropriate that the Council 'gap fund' the remaining finance necessary to complete the proposed development via a Housing Grant Agreement.
19. The council provides this Grant to the CBS for the development of the Property for high quality, genuinely affordable residential accommodation pursuant to Section 24 of the Local Government Act 1988.
20. The Grant agreement sets out the conditions upon which funding is provided from the council to the Grant Recipient. The agreement specifies the purpose for which grant is to be provided, the reporting arrangements, monitoring and evaluation, liaison and communication between the Parties, and the funding provided to the Grant Recipient.
21. The Grant Agreement is supplemental to and co-terminus with the Agreement for lease.
22. The total sum payable under the Grant Agreement will be £9,661,815 (Nine million, six hundred and sixty one thousand eight hundred and fifteen pounds). It is hoped that this will be funded from a combination of commuted S106 monies (£6,280,182) held by the council and money from the council's HIP (£3,381,633). The proportions will be 65% and 35% respectively but approval will be required from the Council's Planning Committee.

23. The main heads of terms of the Grant Agreement are;

Recipient: Leathermarket CBS

Purpose: Provision of genuinely affordable high quality affordable housing

Maximum Sum: £9,661,815

Period of the Agreement: 10 years and 6 months following the date at the head of the agreement to the end of 10 years and 6 months following the final Practical Completion

24. The proposed development will comprise 27 units of accommodation arranged over a part three, part five and part seven storey building together with three car parking spaces for disabled residents. The unit breakdown is as follows;

Bedroom Size	Number of Units
One bed	4
Two bed	13
Three bed	10

25. The scheme has been designed by Southwark based Bell Phillips architects in conjunction with the residents of the Kipling estate. The scheme development has been through a rigorous design process with each stage the subject of consultation with the residents of the estate.
26. The properties will be let on assured tenancies at target rents as determined by the national rent regime and as defined in the Grant agreement. Any 'right to buy' provisions will be excluded therefore protecting these assets for future generations.
27. The proposed rents are the same as they would be if the council had built the homes at council rents i.e. at council target or the indicative rent cap whichever is lower as follows:
- 1 bed £127.18 per week
 - 2 bed £145.80 per week
 - 3 bed £153.90 per week
28. The assumptions in the CBS business plan include the following:

- All properties are being let at council rents. The amount is based on the amount that Southwark Council is charging residents moving into its development at Long Lane i.e. 1 bed- £127.18, 2 bed £145.80 and 3 bed £153.90. These figures were taken from appendix 4 of the LBS report 'Update on the Proposed Pipeline for the Delivery of 1,500 New Council Homes by 2018' presented to Cabinet on 9th December 2014.
- The starting point is the rents set by Southwark Council for its own new homes in the area. Rents will reduce by 1% until 2019/20. Thereafter it

is assumed that rents will increase by CPI plus 1%, based on a statement by the Housing Minister in December 2015.

29. The CBS have previously received an interim payment of £290,000 from the council plus VAT (making £347,997.60 in total) for the purpose of paying various professional and consultant's fees pertinent to the preparation of the planning application. The maximum sum will be reduced to £9,252,000 to reflect this earlier payment.
30. Initial funding was obtained from a number of sources including the Greater London Authority (GLA) Community Right to Build Fund (CRTB) fund, United Saint Saviour's charity and the National Community Land Trust (CLT) Network in the sum of £408,795.00. This has been utilised to establish the Leathermarket CBS, for the appointment of professional advisers and for community engagement material and events, professional fees and design development.

KEY ISSUES FOR CONSIDERATION

31. The homes provided through this development will contribute to the council's commitment to deliver 11,000 new homes by 2043 and to deliver 1,500 of those new homes by 2018.
32. In January 2016 Officers asked officers of the Leathermarket CBS to submit a grant application setting out details of the purpose of the grant and other supporting information including financial and governance details to be submitted by 12 February 2016. This was consistent with the council's procedures for grant making and to allow officers to undertake a due diligence exercise to inform this funding recommendation to Cabinet in July 2016.
33. The initial information and application was received on Friday 12 February 2016. The due diligence exercise included reviewing governance, finance and procurement arrangements at the CBS.
34. As a result of this exercise officers identified a number of areas for future action by the Leathermarket CBS and following a meeting with CBS board members and officers an action plan was agreed to put in place the necessary actions by December 2016. The action plan is attached as Appendix 1 to the CBS business plan attached as Appendix 2 to this report.
35. At the same time officers asked the Leathermarket CBS to submit a detailed business plan including detailed financial forecasts for the CBS. The final version of this was received on 07 July 2016. A copy is attached as Appendix 2 to this report and has allowed officers to undertake a check on the viability of the CBS.
36. The conclusion of this exercise is that the business plan provided by the CBS shows a viable position with on-going rental income exceeding costs over the term of the plan. The assumptions contained within the plan appear reasonable and they have taken on board all of the issues that council officers have raised with them in discussions on the plan.
37. The opening rents are consistent with rent levels had the council built the scheme. These will be homes at genuine council rents and this is reflected over the thirty year life of the plan. The assumption is that rents will be reduced by 1% for four years and then increase by CPI +1%.

38. Ongoing management & maintenance costs are low compared to council ones reflecting the current costs that the Leathermarket JMB is achieving.
39. In the business plan the Leathermarket CBS say that they will comply with the council's local lettings policy of 50% local lettings on all new Council funded schemes. This applies across the whole JMB area and this will actually be varied in this specific instance to allow for 100% local lettings on this particular scheme given the level of resident involvement in design. Future schemes delivered by the CBS will counterbalance this variation by delivering less than 50% with the remainder being open to council nominations ensuring that overall the policy requirement will be complied with. The scheme will also release 27 existing units for council nominations.
40. Officers have also run the scheme through the council's Appraisal model, which is the model used to appraise our own internal direct delivery programme of new council homes. The Appraisal analysis reports that the cost to value ratio is positive as would be expected given the property values in this part of the borough. The Appraisal analysis also identifies that construction costs are high but consistent with those on recent council schemes.
41. The Appraisal also reviews Leathermarket on-costs and compares these to the council's costs on similar schemes. The costs reflect the fact that the CBS is a new organisation building its capacity to deliver the Scheme. Officers will be working with officers of the Leathermarket CBS to ensure it delivers as efficiently and effectively as possible.
42. As noted above officers have agreed to provide ongoing support to Leathermarket CBS to continue to develop their financial modeling and business planning capacities.
43. The amount of the Grant shall not be increased above the maximum sum in the event of any overspend by the CBS in its delivery of the project and any such overspend will be the recipients' liability.
44. The Grant agreement will continue from the date at the head of the agreement to the end of 10 years and 6 months following the final Practical Completion ("the Grant Period") unless it is brought to an end in any of the ways described in the Agreement or in the event that the Agreement for Lease or Lease is terminated
45. The Grant Agreement has been drafted to ensure that the council's exposure to risk is minimized as much as is possible in particular it ensures that the Grant Recipient shall:
 - i. Use the Grant only for the delivery of the Project;
 - ii. Not change the Project without the written consent of the council;
 - iii. Use the Grant in accordance with the purposes set out in the Grant Agreement;
 - iv. Maintain proper paper and electronic records of evidence of spend and evidence of outputs achieved and provide these to the council when requested;

- v. Permit the council and/or its appointed representative(s) to review the performance and compliance of the Grant Recipient in relation to the Grant Agreement, provided that reasonable notice has been given and at any time during normal working hours;
 - vi. Ensure that value for money and sound procurement practices are applied to all contracts entered into in relation to the Project;
 - vii. Ensure that the tenancies arising from the development of the Property are for affordable housing within the council's understanding of the term.
 - viii. Ensure that the development of the Property follows the London Housing Design Guide.
46. The council's intention is that the Grant will be paid to the Grant Recipient in full. However, without prejudice to the council's other rights and remedies, the council may at its discretion withhold or suspend payment of the Grant and/or require repayment of all or part of the Grant if:
- i. The Grant Recipient uses the Grant for purposes other than those for which they have been awarded;
 - ii. The delivery of the Project does not start within 12 months of the Commencement Date and the Grant Recipient has failed to provide the council with a reasonable explanation for the delay;
 - iii. The council acting reasonably considers that the Grant Recipient has not made satisfactory progress with the delivery of the Project;
 - iv. The Grant Recipient is, in the reasonable opinion of the council, delivering the Project in a negligent manner;
 - v. The Grant Recipient obtains duplicate funding from a third party for the Project;
 - vi. The Grant Recipient obtains funding from a third party which, in the reasonable opinion of the council, undertakes activities that are likely to bring the reputation of the project or the council into disrepute;
 - vii. The Grant Recipient provides the council with any materially misleading or inaccurate information;
 - viii. Any member of the governing body, employee or volunteer of the Grant Recipient has (a) acted dishonestly or negligently at any time and directly or indirectly to the detriment of the project or (b) taken any actions which, in the reasonable opinion of the council, bring or are likely to bring the council's name or reputation into disrepute;
 - ix. The Grant Recipient ceases to operate for any reason, or it passes a resolution (or any court of competent jurisdiction makes an order) that it be wound up or dissolved (other than for the purpose of a bona fide and solvent reconstruction or amalgamation);
 - x. The Grant Recipient becomes insolvent, or it is declared bankrupt, or it is placed into receivership, administration or liquidation, or a petition has

been presented for its winding up, or it enters into any arrangement or composition for the benefit of its creditors, or it is unable to pay its debts as they fall due;

- xi. The Grant Recipient fails to comply with any of the terms and conditions set out in this Agreement and fails to rectify any such failure within 30 days of receiving written notice detailing the failure; or
 - xii. In the event of a material breach of the Agreement for Lease by the Grant Recipient leading to the Termination of the Agreement for Lease.
47. The proposed scheme does not entail the demolition of existing estate homes but does involve the further densification of the estate, together with the loss of car parking provision. The new scheme will be car free except for three spaces provided for the wheelchair accessible units.
48. The council's planning committee will receive a report requesting the release of S106 monies to part fund the scheme. The sum of £6,280,182 will need to be applied for the purposes of the provision of affordable housing in accordance with the regulations from relevant S106 agreements.
49. The Grant Agreement provides for the appointment of a representative of the council as an observer to the board of the CBS to ensure increased oversight and transparent governance whilst providing a useful conduit between the CBS and the council. The Strategic Director of Housing and Modernisation will be responsible for making this appointment.

Policy implications

50. The development of this site will provide much needed genuinely affordable housing built to the highest of standards in terms of both design and energy efficiency. In particular the architects have been careful to adhere to the council's own planning policies as well as the London Housing Design Guide.
51. The properties will be built to code level 4 of the code for sustainable homes and therefore will have to reduce carbon emissions, conserve fuel and energy as set out in building regulations (Part L) Value the Environment.

Community impact statement

52. The new homes created as part of this resident led scheme will enable some households to move from over crowded conditions whilst others will be downsizing allowing the release of a range of different sized units to be relet for others in housing need. The CBS has carried out an equalities impact assessment to assess the implications of the proposed scheme. Council officers have also undertaken equality analysis of the proposal.
53. The development of this site, on what currently contains single storey domestic garages, will have wider regenerative benefits for the local community.
54. Three of the homes are fully wheelchair accessible and all twenty seven are designed to lifetime homes standard.
55. No residents will be displaced as result of this scheme.

56. The council is an officially accredited London Living Wage (LLW) Employer and is committed to ensuring that, where appropriate, contractors and subcontractors engaged by the council to provide works or services within Southwark pay their staff at a minimum rate equivalent to the LLW rate. It is expected that the Leathermarket CBS and its contractors and subcontractors pay LLW and that this will result in quality improvements for the council and provide best value for the council. It is considered appropriate for the payment of LLW to be required as part of the grant agreement. Anticipated benefits include a more incentivised workforce and improved staff retention. Following award, these quality improvements and any cost implications will be monitored.
57. Under the Public Sector Equality Duty General Duty public authorities must have 'due regard' to the need to eliminate unlawful discrimination, harassment and victimisation as well as to advance equality of opportunity and foster good relations between people who share a protected characteristic and those who do not.
58. The protected groups covered by the equality duty are: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. The duty also covers marriage and civil partnerships, but only in respect of eliminating unlawful discrimination.
59. The council's "Approach to Equality", which was agreed by cabinet in December 2011, outlines the council's legal duties under the PSED General Duty and its obligations under the Human Rights Act 1998. It also sets out the council's commitment to embedding equality and human rights within the day-to-day responsibilities of all members, officers and contractors, as a part of day to day business.
60. It is essential that when decisions are made they take into account the public sector equality duty's general duty (PSED General Duty) as set out in section 149 of the Equality Act 2010. Officers will undertake further equality analysis as the service works through implementation of the changes.

Resource implications

61. The scheme build cost is based upon an estimate of £2,650 per m². This equates to around an average of £350,000 per unit (without land). These costs are subject to a competitive tendering process undertaken by the CBS.
62. This level of build cost is considered to be within a range that is considered acceptable given the location, type and scale of build envisaged.
63. The Grant agreement provides that the net rents received by the CBS from this scheme will be held by them and used to fund future developments on sites identified within the Leathermarket JMB managed area.
64. The proposed land transfer out of HRA ownership makes the proposed grant accountable in the General Fund capital programme, although funding will need to come from Housing Investment Programme resources.
65. It is intended that an application to Planning Committee will be made for 65% of the contract costs to be funded from developer payments under Section 106.

66. Because the development is non-HRA and non-RSL the remaining 35% is not able to be funded from new-build Right to Buy Receipts, nor from HRA depreciation/revenue contribution, so therefore would need to be met from Housing capital receipts, which are overcommitted. Hence there will be an impact on the Housing Investment Programme, which would have been largely avoided with the 30% RTB receipt funding available for a Council or RSL build on the site.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy

67. Cabinet is being asked in this report to approve the terms of a housing grant agreement relating to the Property which is sited at the Kipling estate, Weston Street. The report also authorises a housing grant agreement to be entered into in accordance with the heads of terms set out at paragraph 23 of this report.
68. External lawyers, Pinsent Masons, have been advising the council concerning the terms of the funding agreement and have ensured that the matters as set out in this report are reflected accordingly.
69. Cabinet members are responsible in accordance with paragraph 12, Part 3 of the council's Constitution for the strategic management of the council's resources and is able to authorise the use from the Housing Revenue Account subject to the requirements as set out in paragraph 13 of the Constitution.
70. The use of any section 106 monies needs to be authorised by the council's Planning Committee and their decision will be taken having taken into account the specific terms of the specific agreements which have been identified as being appropriate and also the tests which are set out in Regulations 122 (2) a – c, the Community Infrastructure Regulations 2010.
71. The power to provide this housing grant is contained within section 24, Local Government Act 1988. This allows the council to provide financial assistance to any person for the purposes of, or in connection with (among other things) the acquisition, construction, maintenance and management of any property which is intended to be privately let as housing accommodation. This therefore extends to a lease, tenancy, or statutory tenancy where the immediate landlord is someone other than a local authority. However, by section 25, Local Government Act, the consent of the Secretary of State would be required for the provision of this financial assistance.
72. In accordance with the General Consent C (2010) issued by the Secretary of State, the consent from the Secretary of state is conferred for the provision of financial assistance in the circumstances outlined in the preceding paragraph.
73. The report confirms the housing provided under the terms of the agreement will be provided by the CBS. The units will be allocated by the CBS under the terms of their lettings policy which may be varied by the CBS in the future as they consider appropriate. Tenants of the new housing will be CBS tenants and therefore hold assured tenancies. There are differences between council tenancies and standard assured tenancies.
74. The report confirms that the grant agreement is supplemental to and co-terminus with the agreement for lease. It is not proposed to make provision for council

nomination rights in the agreement. This is a departure from the council's usual practice to enter into an agreement with the recipient of council grant funding and/or land to make available properties for nomination by the council ('nomination agreement'). Cabinet members must be satisfied that there is justification for this departure from usual practice.

75. Cabinet members, when making a decision on the recommendations in this report are also required to have due regard to the public sector equality duty (PSED) in section 149 of the Equality Act 2010.
76. This duty, which is non delegable and continuing, requires the council to consider all individuals when carrying out its functions. Specifically, to 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 PSED also applies to marriage and civil partnership, but only in relation to the need to eliminate discrimination, harassment, victimisation or other prohibited conduct.
77. Paragraphs 52 to 59 of and Appendix 4 to this report set out the assessment of community impacts, including equality impact. Cabinet members should carefully consider the Equality Analysis which is provided with this report.

Strategic Director of Finance and Governance (H&M16/019)

78. The Strategic Director of Finance and Governance notes the proposals to transfer land at nil value and the provision of grant funding to a maximum value of £9,661,815 to the Leathermarket Community Benefit Society Limited (CBS) for the development of 27 affordable homes on the Kipling Estate, Weston Street SE1.
79. Proposed funding for the scheme comprises commuted S106 monies of £6,280,182 (subject to future Planning Committee approval) and from the Council's HIP (£3,381,633) respectively. An interim payment of £347,998 has already been made to Leathermarket CBS 2015/16, leaving a residual sum of £3,033,645 to be paid as part of the initial funding tranche.
80. Due to the nature of the development arrangements with the CBS the development is non-HRA and non-RSL and regulations preclude the use of RTB receipts or depreciation/revenue contribution to fund it. Therefore, non RTB capital receipts will be required which are already overcommitted and will exacerbate the council's investment funding gap going forward.

BACKGROUND DOCUMENTS

Background Documents	Held At	Contact
Cabinet Report 16 th September 2014 - Kipling Garages, Weston Street, Bermondsey, SE1 – Grant of Long Lease	160 Tooley Street, SE1 and on the Council's website	Paul Davies 55529

APPENDICES

No.	Title
Appendix 1	OS plans, indicating the property – edged black
Appendix 2	Leathermarket CBS Business Plan 2016-2022
Appendix 3	Draft Grant Agreement
Appendix 4	Equality Analysis

AUDIT TRAIL

Cabinet Member	Councillor Stephanie Cryan, Deputy Leader and Cabinet Member for Housing, & Councillor Mark Williams, Cabinet Member for Regeneration and New Homes	
Lead Officer	Gerri Scott, Strategic Director of Housing & Modernisation & Stephen Platts, Director of Regeneration	
Report Author	Stephen Douglass, Director of Communities & Paul Davies, Principal Surveyor	
Version	Final	
Dated	11 July 2016	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
	Officer Title	Comments Sought
	Director of Law and Democracy	Yes
	Strategic Director of Finance and Governance	Yes
	Cabinet Member	Yes
	Date final report sent to Constitutional Team	11 July 2016

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TITLE.

Land at Weston Street, SE1.



DRAWING No.

LBS_3100

DRAWN BY.

MMANKTELOW
Property Division

DATE.

21/8/2014

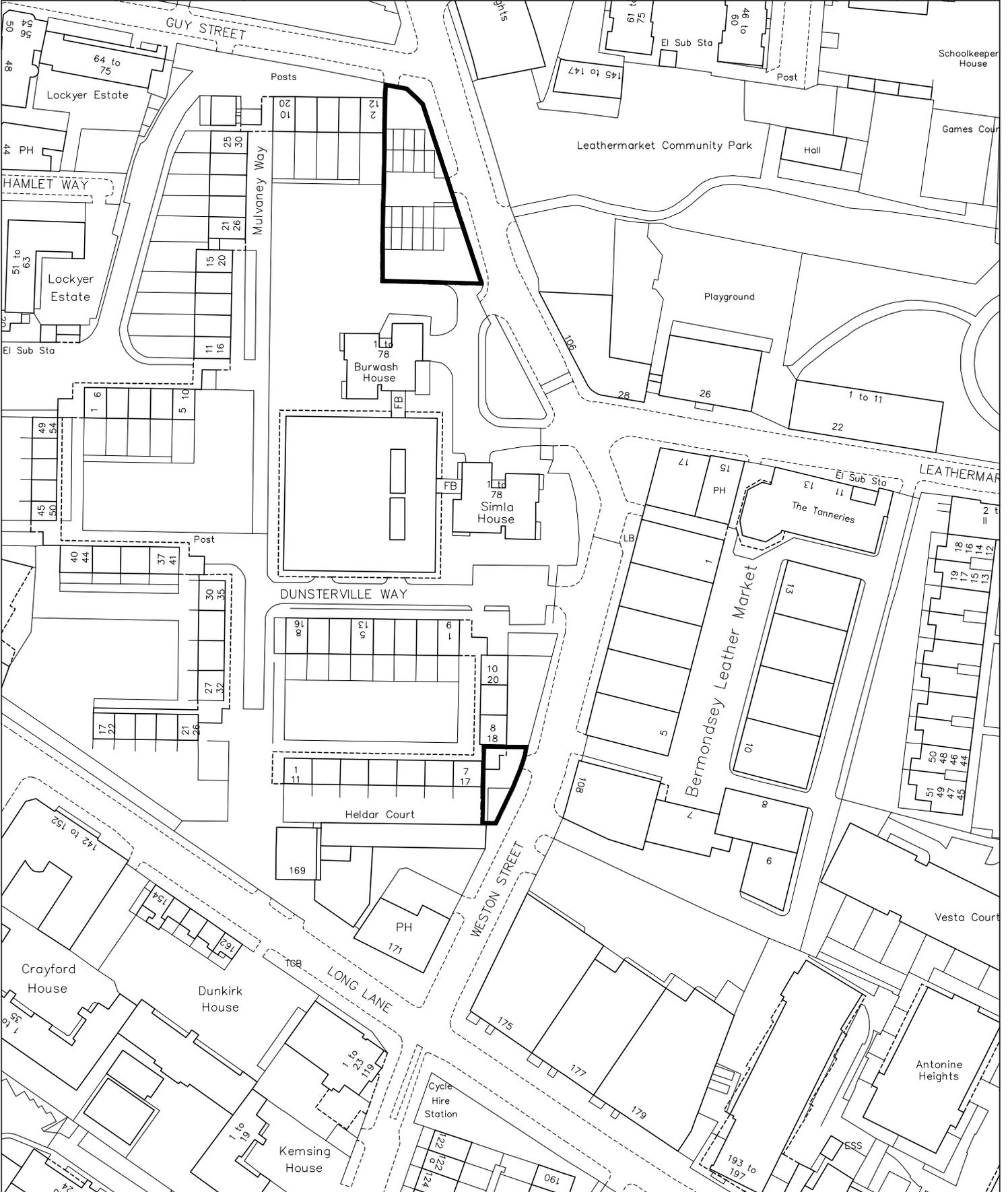
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APPENDIX 2



LEATHERMARKET COMMUNITY BENEFIT SOCIETY

BUSINESS PLAN 2016 - 2022

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EXECUTIVE SUMMARY

Established in 2014 against a backdrop of rising property prices and a severe housing shortage, the Leathermarket Community Benefit Society (CBS) is a democratic organisation, led by and for the benefit of local residents and established to develop underutilised sites within the Leathermarket JMB estates (Bermondsey, South London). Each CBS development will deliver high quality, energy efficient homes, held in perpetuity by the CBS and rented to local people at truly affordable rents, i.e. comparable to rents charged by the local council, Southwark.

As well as contributing to new housing provision in Southwark, the Leathermarket CBS will use the provision of new homes to improve housing conditions for families & households within the existing housing stock by implementing a 'Better Fit' policy. The aim is to help tenants who have spare rooms to move to a new home, in order to help overcrowded tenants move to a property that meet their needs.

The Leathermarket CBS is now developing the first of hopefully many sites, a community-led scheme of 27 new truly affordable homes for rent on the Kipling Estate.

FINANCIAL SUMMARY

The CBS have focused this first business plan on the development of the first site – Kipling Garages, but have provided financial forecasts over the next 5 years to demonstrate how the Construction Grant provided by Southwark will be utilised and the asset value recycled to seed fund future opportunities.

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ORGANISATION AND MANAGEMENT

1 BACKGROUND

Leathermarket Community Benefit Society (CBS) is a local community organisation formed by members of the Leathermarket Joint Management Board (JMB). The JMB is a self-financed Tenant Management Organisation (TMO) established in 1996 under the government's Right-to-Manage legislation, enabling residents to manage independently their own services on housing estates within the Leathermarket area.

The JMB manages 1,500 homes under a Management Agreement with Southwark Council. The JMB enjoys a high level of local support securing the backing of 92% of its tenants on a 78% turnout in its last continuation ballot in 2011. The CBS was established because JMB residents were concerned by the lack of available affordable housing in the area and at the last continuation ballot requested the JMB work to alleviate this issue. This set off a chain of action culminating with the establishment of the CBS. Whilst a separate organisation, the CBS continues to work in close collaboration with its founding organisation with a co-terminus area of operation. The Council has asked to see more separation of governance between the JMB and the CBS. The action agreed to achieve this is set out in Appendix 1.

1.1 HOUSING NEEDS

In February 2012, the JMB organised a questionnaire of its tenants to establish the level of housing need amongst its tenants. The results are set out below:

- 99% of households have a household income of less than £30,000;
- 55% are registered for re-housing with the Council;
- 10% describe themselves as in housing need, but not registered with the Council;
- 70% of homes say they are overcrowded - compared with an average of 35% across Southwark as a whole;
- 56% do not have any money for a deposit if they wish to buy a property;
- 85% would not have the money for a deposit if they wish to rent privately;
- 93% cannot afford a rent above £200 per week or the maximum amount that housing benefit will pay.

When asked about possible solutions, tenants said the following:

- 94% thought there should be more genuinely affordable social housing in the JMB estates area;
- 85% expressed support for social housing being built on unused or under used land on their estate;
- 77% think that staying in the JMB estate area is important. 38% are involved in local community groups;

Following the continuation ballot, it was decided that a more detailed Housing Needs Survey of all residents was required to establish the exact need. An attempt was made to make personal contact with each of the JMB's 1,000 properties. This survey established that 30% of all tenants were inadequately housed, many chronically overcrowded but some were under-occupying (many of who had no financial incentive to down size as the bedroom tax did not apply). Using this data, the CBS was able to write a local lettings policy that prioritised downsizers, releasing larger homes for families and creating a far-reaching chain of benefit – a better fit for all (Appendix 2).

The survey also importantly reinforced the outcome of the initial survey with 85% percent of residents supportive of the building of more social housing on the estates underused land. In order to protect the day-to-day management and maintenance function of the JMB, an independent Leathermarket Community Benefit Society was set up as a community-led Development Vehicle.

1.2 RESIDENT-LED DEVELOPMENT

The history of the local area has shown that too often development has been done to communities, not with or for them. Due to these bad experiences, JMB residents are increasingly vocal with an active and thriving Tenants & Residents Associations (TRA) on each estate, ready to object to any planning application which impacts on existing residents. The CBS as a community led organisation is therefore best placed and able to unlock challenging sites and maximise the provision of, much needed, new truly affordable homes.

Residents have voiced that they want high quality, energy efficient homes that the community can be proud of. The CBS has taken a very different approach to community involvement, starting with a completely blank sheet of paper to involve local people in the design of the new homes and help to make sure they are well integrated with the wider estate and improve the local environment.

Custom build principles have been used for the design of the new homes, which means identifying possible tenants at an early stage and involving them in the design process.

1.3 FIRST DEVELOPMENT - KIPLING GARAGES SITE

With the help of the local TRA, the Leathermarket CBS identified the underutilised garages on the Kipling Estate as a potential site for new housing. Through mobilising local leadership, the London Borough of Southwark agreed to grant a long lease of the land to Leathermarket CBS, for a term of 125 years from September 2014 for the purpose of delivering homes for rent (in line with the Council's own rent levels).

1.4 FUTURE DEVELOPMENT

Local residents and TRAs have been enthused by the process and involvement during the first development and have already suggested other development sites, such as Joseph Lancaster Nursery site as the next development opportunity.

JOSEPH LANCASTER NURSERY SITE

Several sites within the wider Leathermarket estates have already been identified by the CBS for potential development including Joseph Lancaster Nursery Site. Following a number of consultations with local residents, an initial feasibility study has concluded that the site has the potential for 30-40 new homes. Once the legal documents for Kipling Garages are agreed, the Leathermarket CBS will press to agree a development programme for this site.

PEVERIL HOUSE

Peveril House was built in the mid 1960's. It has a concrete structure, with infill slabs. The block is in the Old Kent Road Regeneration Area. Residents experience a higher level of condensation (27%) than elsewhere in within the JMB. To date the Leathermarket CBS have commissioned a structural survey of the existing building and carried out a door-to-door survey of residents' feelings towards redevelopment. The initial feedback is that most residents like living in the block. Those that do not are predominately overcrowded. The structural survey has found the block to be structurally sound, although the balconies need to be replaced. If demolition and new build is the preferred option an initial study suggest that the re-development could deliver up to 148 homes.

All estates

The CBS has investigated opportunity sites across the area and estimates that there could be the potential for 700 new homes, sites include the JMB office and Elim garages.

2 MISSION & OBJECTIVES

2.1 MISSION

To generate social, economic and environmental benefit for the local residents of the Leathermarket area within a democratic community-led framework, by seeking and delivering opportunities for new genuinely affordable homes and improving the quality of existing neighbourhoods.

Developing new homes is in direct response to concerns of the residents of the JMB estates about the lack of rehousing options for themselves and their children who want to remain in the area, close to their families and support networks. The overarching mission of the Leathermarket CBS is framed by the need to facilitate the development of new housing, for the benefit of local residents.

2.2 PRIMARY OBJECTIVES

The objectives of the CBS are:

- To build buildings that the community is proud of;
- For local people to feel proud of what they have achieved;
- Develop high quality genuinely affordable homes for rent;
- Develop energy efficient homes focused on reducing energy poverty;
- Ensure the new homes are available for local people based on a local lettings policy to ensure a better fit for all (see CBS allocations policy (Appendix 2));
- Ensure the new homes are let at genuinely affordable rents in perpetuity; and
- To allow in-coming residents to participate in the design of their homes.

2.3 AMBITION

The CBS ambition is to establish a fruitful and long-term partnership with the local authority that maximises the delivery of new genuinely affordable homes within the local area. The first development will demonstrate the CBS' capacity to unlock and deliver genuinely affordable homes for the council. Helping the local community and council to reach its target of 11,000 new homes by 2025.

3 GOVERNANCE STRUCTURE

The CBS is structured to support projects that benefit the community and seek new opportunities to achieve this.

3.1 LEGAL STRUCTURE

The CBS was established in 2014 as a registered society, in accordance with the Co-operative and Community Benefit Societies Act 2014 and authorised as 'Community Benefit Society'. The primary trade activity is house building. It is regulated by the Financial Conduct Authority (Registration number: 32294R) as a business run for the benefit of the wider community, re-investing its profits in the community. The way that the CBS is structured means that it falls within the definition of a Community Land Trust.

Registered Office: 26 Leathermarket Street
London
SE1 3HN

The CBS is a not for profit organisation, democratically elected by its members, with membership open to anyone who lives or works in the JMB area. The CBS is committed to undertaking a membership drive.

3.2 OPERATIONAL STRUCTURE

The CBS Board determines the strategy of the society - directing, controlling and evaluating the CBS' affairs with operational management delegated to the Project Officer. Seven of the CBS Board Directors are democratically elected residents, four are co-opted Directors selected for the experience, knowledge and expertise they bring to the Board.

The effective oversight of CBS activities requires continuity of knowledgeable and committed Directors, complemented by input from members of the JMB. The challenge is ensuring that 'normal' residents feel confident about coming forward to be Directors, and can effectively represent the views of members. This means supporting in-coming Directors to develop the values, knowledge and skills to help achieve the CBS' objectives.

The CBS enjoys a strong partnership with Southwark Council and is working cooperatively to help the council achieve its target of 11,000 homes by 2025. The Council has agreed to the transfer of the

first site for development, the Kipling garages site, and the Council will be funding the construction costs. As a result of this, an officer of Southwark Council has an observer role on the Board, which adds to the strength of the CBS' operational structure. The partnership between the CBS, Council and igloo was recognised by the winning of a nation award granted by the National Federation of TMOs in 2016.

3.3 KEY STAKEHOLDERS

It is vital to the success of any organisation to understand, acknowledge and encourage participation of all stakeholders. The CBS has identified the following:

- Local residents & businesses;
- Tenant & Residents Associations;
- London Borough of Southwark;
- The Greater London Authority;
- Community Land Trust; and
- The Leathermarket Joint Management Board (JMB).

3.4 BOARD MEMBERS

The Board members provide overarching strategic direction. The CBS Rules require that a majority of Board members should be resident members. All JMB residents can apply to become a Board member. Resident Board members are elected for a three-year term at the Leathermarket CBS Annual General Meeting, the last AGM was held on 21st October 2015.

The democratically elected resident Directors of Leathermarket CBS are:

John Paul Maytum MBE – Chair of CBS Board

John Paul was recently awarded an MBE for public service. He is now a freelance communication consultant, having been a senior civil servant for many years.

Christine Parsons – Vice Chair of CBS Board

Chris is a tenants' representative with over 25 years' experience. Chris is a Board member of United Charities. She also serves on Southwark Council's tenant arbitration panel. Chris received a Lifetime Achievement award at Southwark Housing Heroes Awards in January 2016, as well as recently winning the TPAS Southern Region Tenant of the Year Award.

Sarah Hatchard – Treasurer of CBS Board

Sarah is the Treasurer of the Kipling Tenants & Residents Association and has been a resident representative for over 15 years. She is also a Director of the JMB and has many years of experience in housing.

Deborah Harrington

Deborah is the Vice-Chair of the Lawson Tenants & Residents Association & a health service activist.

Peter Coulthard

Peter is a Director of the JMB and Committee Member for Lawson Tenants & Residents Association.

Joanna Vignola

Joanna is a JMB resident on the Kipling Estate with a keen interest in community participation and development.

Sean Jeannette

Sean is a Director of the JMB and a Committee member for the Decima Street Tenant & Residents Association. Sean has recently retired and has many years' experience of luxury property management.

The co-opted Directors of Leathermarket CBS are:

Paul Munday – Director CBS Board

Paul has extensive experience of project managing new build development projects, housing projects and major repairs contracts at Director and CEO level. Paul is a Board member of Estuary Housing Association where he is Vice Chair and Chair of the Development Committee.

Dr Cormac Hollingsworth – Director CBS Board

Cormac is a Director of the JMB. He is a Doctor of economics and an investment analyst.

Claire Hickson – Director CBS Board

Claire has worked for many years at a senior level in central and local government. She was Cabinet Member for Communities and Economic Development, Southwark Council (2012-13) and a former Councillor for London Borough of Southwark (2010-2011).

Andy Bates – Director CBS Board

Andy is the Executive Manager & Company Secretary of the JMB. Andy has 30 years' housing experience, 27 at a managerial level. He is a Board member of United Charities and Wenlock Barn TMO.

3.5. KEY EMPLOYEES

Jane Mepham – Project Officer & Company Secretary

Jane has many years experience of providing legal advice in the housing sector and more recently has been involved in a number of resident-led community consultations.

As the CBS is about to enter the construction phase and start planning its second development the CBS board is reviewing the staffing resources required.

Financial & business advice

This is provided by the JMB's Manager, Andy Bates, who has an MA Management (distinction) and Finance Manager, Berni McEwan, who is CIMA Adv Dip MA qualified. Routine financial assistance is provided by the JMB's Bookkeeper, Michelle Daniel, who is MAAT qualified. As per the Action Plan in Appendix 1, the JMB and CBS are formalising a service level agreement for the provision of this support.

3.6. PROFESSIONAL ADVISORS

To supplement the experience of the Board the CBS have procured via OJEU the following professional team:

Development Manager - igloo: A purpose driven developer, funder and partner. igloo exists for People, Place and Planet. igloo is the UK's leading responsible real estate business working with communities, local authorities and investors who want to make the world better one place at a time. igloo works hard to fund, deliver and animate great Places, great for People and for the Planet. Igloo has a proven record of accomplishment of excellence and delivery, managing projects with a Gross Development Value of over £0.75 billion and winning numerous design awards, including National Housing Design Awards Winner.

Igloo has business planning and financial expertise and assisted the CBS in the development of this Business Plan. This has been provided by igloo's Financial Controller and Finance Asset Manager. This team is responsible for accounting and business planning for a number of multi-million property development businesses, including Blueprint (a partnership with Nottingham City Council and Siglion) and a partnership between with Sunderland City Council and Carillion.

Architect - Bell Phillips Architects: An architectural practice based in Bermondsey, established in 2004 with a strong track record of high quality design demonstrated through high profile competition wins, awards and features in publications and exhibitions.

In addition, for our first project, the Kipling Garages, the following team have been appointed:

Legal services - Anthony Collins: leading national advisor in the community-led housing sector.

Project Manager - DBK: An innovative owner managed property and construction consultancy; providing project management services to drive the project and lead the consultant team.

Structural Engineers - Engineers HRW: A local engineering practice with breadth and depth of experience in estate regeneration across London.

Planning - Tibbalds Planning & Urban Design: A creative team focusing on planning and urban design, providing planning consultancy advice to lead the planning application.

Quantity Surveyor - Measur: Specialists in quantity surveying, providing cost consultancy throughout the development in the form of project cost plans.

FINANCIAL INFORMATION

The CBS has ambitious plans for future developments; the financial information here has been forecast over a 5-year period. Detailed financial information is provided below on the first development: Kipling Garages, followed by identified future phases.

4 KIPLING GARAGES - PHASE 1

1.1 FINANCIAL SUMMARY

Gross Income for the year 2015/16:

Grant Funding:	£663,211.60
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Gross Expenditure for the year 2015/16:

Kipling expenditure:	£204,779.76
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Corporate expenditure:	£44,525.23
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B/F balance on expenditure 14/15	£30,390.33
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Remaining Gross Budget for the year 2015/16:	£383,516.28
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1.2 KEY ACTIVITIES

The following are the key activities for the Leathermarket CBS in 2016:

- Secure the funding agreement with LBS;
- Secure planning permission for the development proposal - July 2016;
- Appoint a contractor to undertake the enabling works and main construction;

1.3 DEVELOPMENT APPRAISAL

For the full Development Appraisal please see Appendix 3, a summary of which is provided below:

Construction Costs:	£7,133,009
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Construction Contingency (5.00%):	£357,129
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Development Contingency (5.00%):	£454,642
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Planning / Statutory Fees:	£110,014
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Site Investigation:	£9,569
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Professional Fees:	£1,483,122
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Client Fee:	£460,783
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KIPLING TOTAL BUDGET	£10, 008, 26
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This figure includes GLA and other non-Southwark Council grant funding, which has already been spent.

1.4 PROJECT INCOME

Date	Company	Description	Total
Received			
6/11/2014	JMB	Float	£200,000
7/04/2014	United St Saviours	Match Funding	£4,050
01/11/2013	CLT	Match Funding - Technical Assistance Fund	£5,000
09/04/2015	GLA (TFL)	CRTB Milestone 3 (part 1) Kipling Garages	£81,891.31
29/05/2015	GLA (TFL)	CRTB Milestone 3 (Part 2) Kipling Garages	£149,127.43
06/08/2015	GLA (TFL)	CRTB Milestone 3 (Part 3) Kipling Garages	£40,790.16
10/11/2015	GLA (TFL)	CRTB Milestone 3 (Part 4) Kipling Garages	£37,351.10
04/11/2015	Southwark Council	Interim Funding Kipling Garages	£347,997.60
July 2016	Southwark Council	Grant Funding	£9,252,000

5 FUTURE PHASES

1.5 PHASE OUTLINES

Project	Size	Timing	Gross Development Cost
Kipling Garages	27 homes	Complete Dec 2017	£10m
Joseph Lancaster	30 homes	Complete July 2020	£11.1m
Peveril House	25 – 148 homes	Commence design 2021	tbc

1.6 FUTURE FUNDING OPTIONS

Whilst the first part of the financial section of the Business Plan focuses on the first development, the CBS is aware that the development and ownership of residential assets brings with it the potential to develop a revolving development fund for further sites.

The CBS will need sound financial management in order to maximise this potential. The CBS recognises that each development will come with the need to raise additional finance but hopes the legal agreements established on the first development could be used to establish a fruitful long-term partnership for both Council and community.

Each project will be unique however, some of the potential sources of funding for future projects identified include:

- Borrowing – Based on current financial projections, the CBS believes leverage borrowing of £1,075,000 on the rental income from Kipling Garages and £2,150,000 on the rental income from Joseph Lancaster;
- Grant – The initial seed-funding provided by the JMB to the CBS of £200,000 is to be retained as a float to help cash flow the initial stages of all new developments;
- Asset value/Debt: The benefit of the net rents from the development will be recycled to fund future developments;
- CLT Fund: Government funding for future CLTs;
- Public private partnership with local developers – direct delivery;
- Community shares;

- Cross Subsidy, using private and shared ownership sales;
- Mutual Home Ownership: Society members and residents pay a collective mortgage
- Estate Regeneration Fund
- GLA Big Issue Invest: Loan funding for community-led and small housing organisations.

6 FINANCIAL FORECASTS

1.7 INTRODUCTION

The plan is to borrow against the projected rental income stream of the new homes at Kipling garages, to part finance the next scheme Joseph Lancaster. Then to borrow against the projected Joseph Lancaster income to finance a phase three development.

The second element of the plan is to recycle part of the CBS funds, principally the client fee from Kipling garages and Joseph Lancaster (minus CBS staffing and infrastructure costs), to part finance future developments.

Based on its financial modelling the CBS believes that £590,000 can be borrowed against the rental income from Kipling garages and £1.4 million against the Joseph Lancaster income stream. The CBS is able to borrow more against Joseph Lancaster as the projected rent income is higher for the bigger scheme and significant elements of CBS core running costs are covered using the Kipling rental income stream.

This has been modelled by preparing a 30-year financial forecast including cash flow forecast, income and expenditure and balance sheet. The first five years of these have been included in appendix 4-6. The full 30-year financial statements are included in appendix 7, which include the senior debt calculation in borrowings sustainable from the rental income after expenses.

Various assumptions have had to be made, which will change over time. Therefore, the financial forecast will continue to evolve.

6.2 RENT LEVELS

With regard to the funding for Kipling the CBS has been told that a condition of funding by Southwark Council is that rent levels reflect the Council's own, with annual adjustments reflecting those directed by the Government. Therefore, the financial modelling has been made on this basis.

The starting point is the rents set by Southwark Council for its own new homes in the area. Rents will reduce by 1% until 2019/20. Thereafter it is assumed that rents will increase by CPI plus 1%, based on a statement by the Housing Minister in December 2015. There is concern within the housing sector is that the pressure on the Government will be to keep rents at below inflation. In addition,

the Government indicated that they foresaw rents remaining static during the Pay-to-Stay discussion in Parliament.

Unlike for councils and housing associations the Welfare Reform Act, and consequent government direction of rent levels, does not apply to the CBS. The request from the CBS is that it controls the level of the annual rent adjustment, which it would set at CPI plus 1% each year. The CBS approach would result in a much healthier borrowing capacity. The CBS would be able to borrow £840,000 on Kipling, rather than £590,000 against the Kipling rental stream, also £1,690,000, rather than £1,400,000 on Joseph Lancaster; total of £540,000 more.

Furthermore, there is a possibility that the Government may direct that there is a further four years of 1% rent reduction. Borrowing capacity on Kipling would be reduced from £590,000 to £290,000, whilst borrowing capacity on Joseph Lancaster would fall from £1.4 million to £1.22 million, a reduction of £180,000. The total drop in borrowing capacity would therefore be £480k.

In addition, the CBS will be in a stronger position to borrow from financial institutions if it controls its own rent adjustments, rather than having rent adjustments imposed externally.

6.3 KEY ASSUMPTIONS

- The new homes at Kipling garages are finished in December 2017. The new homes at Joseph Lancaster nursery site are completed in July 2020. Design work on the third scheme will start in 2021.
- All properties are being let at council rents. The amount is based on the amount that Southwark Council is charging residents moving into its development at Long Lane i.e. 1 bed- £127.18, 2 bed £145.80 and 3 bed £153.90. These figures were taken from appendix 4 of the LBS report 'Update on the Proposed Pipeline for the Delivery of 1,500 New Council Homes by 2018' presented to Cabinet on 9th December 2014.
- Tenants will pay their fuel and water charges directly and not as part of their rent.
- Voids & Bad debts – 3%. In 2015/16, the JMB's void and bad debt loss was 0.73%; however, the JMB expects this to increase due to the effect of Welfare Reform. The Council allows 6%.
- The management and maintenance requirement is £2,450 per unit per annum increasing with inflation. This is based on the JMB's actual spend in 2015/16. Southwark Council's management and maintenance figure is £4,040.

- The asset replacement required over 25 years is budgeted to be £800 per property per annum, starting in year 8. However, this model produces an annual average of £544 per property per year over the 25 years, to build up a sinking fund for asset replacement.
- The first call on the 5% client fee will be staffing, legal and administrative costs.
- The overhead costs on the Kipling scheme is £35,000 per year. This is made up of insurances and other CBS infrastructure costs e.g. auditors fees, FCA registration, bookkeeping service and office running costs.
- Capital values – have not been calculated by a RICS Registered Valuer but are based on a 6% yield on the net rentals. A formal valuation will be secured in the next twelve months.
- Amortising Debt - Interest rate of 6% has been assumed (this has not been ratified with any lenders at this point and is considered to be a cautious estimate), and is modelled with repayment over 25 years. It is assumed that an income cover ratio of 1.25% must be achieved.
- The Kipling construction cost is based on the Cost Plan prepared by Measur, which includes tendered costs for packages received to date from Buxton Building Contractors. Other costs use either agreed fees, or forecasts based on other projects.
- Joseph Lancaster costs are calculated on a cost per unit basis from Kipling costs.
- There is contingency sum within the capital costs for both Kipling and Joseph Lancaster.

Sensitivities in this analysis;

- A £10,000 per annum change in annual income over expenditure affects total borrowing by £130,000.
- Increase in construction costs: building cost inflation assumed to be 2.3%; Southwark council assume 3%. Whilst in 2015 the tender price index rose by 10%, however post –referendum most commercial investment transactions have stalled, values have been written-down by 5% indicating a substantial shock to new project starts.
- The JMB/ CBS service level agreement is still to be negotiated.
- Further work is required on the VAT implications of the CBS buying a management service from the JMB.
- Delay in grant income would affect cash flow.
- Delay in development timescale

6.3. CASHFLOW

The CBS will maintain minimum reserves of £250,000. Although the cash flow analysis shows at times much higher amounts this is due to the timing of when loans are taken. In reality the CBS would borrow at the point this income is required, which would normalise the cash flow position. It is expected that increasing surpluses in later years would be recycled into future projects. This has not been included in the modelling for clarity and to show affordability of debt financing from the first two projects. The CBS is committed to re-cycling any of its own funds above staffing and infrastructure costs to reduce the funding requirement on future schemes.

7 7.0 RISKS & MITIGATION

1.8 KEY RISKS IDENTIFIED

- Building cost inflation is above 2.3%;
- General inflation rises above 2.3%;
- Rents adjustments are not in line with the assumptions set out in section 6.2.
- Interest rates rise above or below 6%
- Do not secure construction funding from Council;
- Lack of community interest & involvement;
- Overspend on project budgets;
- Unexpected expenditure on projects;
- JMB management and maintenance costs rise at a rate above inflation;
- Voids and bad debts exceed 3%;
- Igloo - key risk loss of experienced development advisors.

1.9 RISK MANAGEMENT STRATEGY

Leathermarket CBS has employed a project team to advise on and manage risk. This covers all aspects of a development from design, through construction, and ongoing asset management. The CBS does have an opportunity in this area as it can draw on the extensive knowledge of the Leathermarket JMB when forecasting its asset management cost and liabilities.

The key steps of the Leathermarket CBS Risk Management Strategy are as follows:

1. Risk identification;
2. Risk analysis;

3. Risk allocation;
4. Risk monitoring and action plan.

This is reviewed on a regular basis, both at Board Level for key risks, and project level for all risks.

7.3 RISK MITIGATION

The CBS have modelled income and expenditure, cash flow and the balance sheet over a 30-year period. Unfortunately, the spreadsheet is too large to include in the written text, even as an extract, but is included in the appendices. The model extends and inflates the income and costs of Kipling garages and Joseph Lancaster over a 30 -year period. The CBS hope that new schemes will happen during this period, however the model is to show how the financing could work.

Several risks to the Business Plan are cost related. To manage this risk the CBS would implement a process where budgets are only released for project development on a stage-by-stage basis once funding is secured. This controls the exposure of the CBS, and limits potential abortive costs.

Construction, being the significant cost faced by the CBS would be procured on a fixed price basis, with assessed contingency levels to cover remaining client risks.

The model includes a £250,000 bottom line surplus buffer, which acts as a contingency for negative variances in both cost and income.

In the short term, building cost inflation is a limited risk as the CBS is close to having a guaranteed maximum price with the contractor for Kipling. The Joseph Lancaster capital cost can be varied by the client until the design and planning is completed, and the construction cost fixed.

A further risk is management and maintenance cost inflation, which the CBS believes to be manageable through the contractual arrangements the CBS is putting in place with the JMB.

7.4 Sensitivity analysis

- 1% increase in general inflation: Kipling borrowing capacity drops from £590,000 to £530,000, with Joseph Lancaster dropping from £1.4 million to £1.37 million. The total drop in borrowing capacity is therefore £90,000.
- 10% increase in construction costs: as noted Kipling is very close to going into contract. A 10% rise in construction costs would increase Joseph Lancaster construction cost from

£11.1m to £12.21m, which would increase the construction grant required by £1.11 million to £11.28 million.

- A 1% increase in interest rate: would reduce borrowing capacity on Kipling from £590,000 to £540,000, a reduction of £50,000. Joseph Lancaster borrowing would reduce by £70,000 to £1.33 million.
- 1% reduction in interest rate: would increase borrowing capacity on Kipling from £590,000 to £650,000 and on Joseph Lancaster from £1.4 million to £1.54 million.
- A further 4 years of 1% rent cut: Borrowing capacity on Kipling would be reduced from £590,000 to £290,000, whilst borrowing capacity on Joseph Lancaster would fall from £1.4 million to £1.22 million, a reduction of £180,000. The total drop in borrowing capacity would therefore be £480k.

Appendix 1**CBS Action Plan: June 2016****1. Separation of CBS and JMB**

Aim: Greater separation of the CBS and JMB; whilst ensuring that the CBS board has the skills necessary to manage a £9.6m project

Action	Completed/ target date
TUPE transfer of Project Officer to the CBS	Completed
CBS Project Officer to be Company Secretary	Completed
CBS to file audited accounts	Completed
CBS to have separate insurance cover	Completed
Separation of officers between JMB and CBS. Current JMB chair will stand down in November 2016. Current CBS treasurer and vice-chair will stand down with immediate effect. Current co-opted JMB director will stand down from the JMB with immediate effect	November 2016
The CBS currently has three directors who are not JMB board members. The plan is to recruit a further resident director, from the group of people moving into the new homes	July 2016
Membership drive to increase CBS membership	On-going
Create a separate email address for the CBS	August 2016
Separate AGMs for the JMB and CBS	September 2016
CBS board to agree a strategy to encourage residents to come forward to stand as CBS directors. An aim should be to promote greater community involvement and separation of the democratic structures of JMB and CBS over the next eighteen months	January 2018

2. Governance

Action	Completed/ target date
Regular board meetings & minutes	In place
Amend CBS constitution to accommodate a Southwark nominee as a CBS director. In the meantime Southwark has nominated an observer	September 2016
Declaration of interest to be a standard agenda item	June 2016
CBS directors to notify the Company Secretary of any declaration of interest changes	June 2016

3. Financial capacity

Action	Completed/ target date
Business Plan, including a financial plan i.e. balance sheet, profit & loss and cash flow	14.7.16
Monthly bank reconciliation	In place
Service level agreement for the JMB to provide management and financial support to the CBS	July 2016
Resolve VAT issues regarding services provided by the JMB to the CBS	July 2016
CBS/ JMB boards to determine whether services are re-charged or provided as 'services in kind'	July 2016
Scheme of financial delegation i.e. who can authorise payments	In place
Enhance financial regulations i.e. above £5,000 quality/ price test; above £75,000 competitive tender & compliance with European	July 2016

procurement requirements

4. Contract administration

Action	Completed/ target date
Access by council to all contract document for audit purposes	Completed
European procurement of development manager and architect	Completed
Contract register	September 2016
Set up contract files in Southwark prescribed format	December 2016
All contract awards subject to board approval	In place

Version control: AB 7.6.16

APPENDIX 2CBS LOCAL LETTINGS ALLOCATIONS POLICY

The Council and CBS have agreed that 50% local lettings criteria will be applied across three schemes, the Council's Long Lane development and the CBS's Kipling garages and Joseph Lancaster developments.

The Leathermarket CBS local lettings policy sets out the eligibility criteria for the allocation of the CBS new build homes to existing JMB tenants and the policy for determining priority for an allocation.

The CBS has adopted Southwark Council's approach to re-housing tenants as set out in the Housing Allocations Scheme November 2013.

1) Eligibility for allocation

A JMB tenant who wishes to apply for a new build property must be registered on Southwark Council's Housing Register as a 'qualifying person'.

The tenant must have lived in Southwark for the last 5 years

The tenant must not be in breach of their tenancy agreement, including rent arrears, anti-social behaviour and unlawful sub-letting. The 'no rent arrears' criteria can be waived for tenants who are downsizing.

2) Determining priority between tenants

A tenant's priority for housing is determined by priority bands; band 1 being the highest and band 4 the lowest.

Band 1

- Tenants who are under-occupying a JMB tenancy and wish to move to a smaller property. (Tenants who have reached the qualifying age for state Pension Credit will be allowed to transfer to a property with one additional bedroom)
- Tenants who are statutorily overcrowded as defined by Part X of the Housing Act 1985, and have not caused the overcrowding through a deliberate act.
- Tenants who have to move as their home require major works within six months. This will be determined and managed subject to the Leathermarket JMB's decant procedure.

Band 2

- Tenants who have a severe medical, welfare award, disability where the current accommodation is unsuitable, or it is unreasonable to remain in occupation. This can include where a tenant's condition is life-threatening and the tenant's accommodation is a major contributory factor, or the tenant's health is so severely affected by the accommodation that it is likely to become life-threatening.

- Tenants who are entitled to the Good Tenant Award (lived at the tenancy for 5 years, with no housing related debt or breach of tenancy agreement).
- Tenants who have priority on welfare grounds and require a move urgently because of a risk to their well-being or health.

Band 3

- Tenants who are overcrowded but not statutorily overcrowded as defined by Part X of Housing Act 1985.
- Tenants with a moderate medical priority where there is a clear objective need to move, because they include a person (or persons) whose illness or disability is either made worse by their present living conditions, or where a move to more satisfactory housing accommodation is likely to result in an improvement in health. However, the housing conditions directly contribute to causing serious ill-health.

Band 4

- All other tenants not included in Bands 1-3.

Additional Priority within the Bands

Within Bands 1 to 4 priority is accorded by:

- the number of priority stars the tenant has been awarded, in accordance with Southwark Council 'Priority Star system'
- the date of the tenant's registration.

3) Tenant participation

Priority is given to tenants who actively participate in the new homes design consultation process, with the provision of alternative engagement options for those who have difficulty participating due to health, childcare or other equalities factors.

APPENDIX 3

Kipling Development Appraisal

Prepared by Kym Shaen-Carter, igloo

24 June 2016

APPRAISAL SUMMARY

IGLOO

Kipling Garages

Summary Appraisal for Phase 1

Currency in £

REVENUE

Rental Area Summary

	Units	m ²	Rate m ²	Initial MRV/Unit	Net Rent at Sale	Initial MRV	Net MRV at Sale
G.01 3b6p	1	123.00	75.40	9,274	6,146	9,274	6,146
G.02 3b5p	1	101.90	91.01	9,274	6,146	9,274	6,146
G.03 3b5p	1	101.90	91.01	9,274	6,146	9,274	6,146
G.04 2b4p	1	103.90	85.28	8,861	5,745	8,861	5,745
1.01 3b4p	1	84.00	110.40	9,274	6,146	9,274	6,146
1.02 3b4p	1	81.30	114.07	9,274	6,146	9,274	6,146
1.03 2b3p	1	85.00	104.25	8,861	5,745	8,861	5,745
2.01 2b3p	1	81.30	108.99	8,861	5,745	8,861	5,745
2.02 2b3p	1	61.50	144.08	8,861	5,745	8,861	5,745
2.03 3b6p	1	107.10	86.59	9,274	6,146	9,274	6,146
2.04 2b4p	1	70.70	125.33	8,861	5,745	8,861	5,745
2.05 2b3p	1	61.50	144.08	8,861	5,745	8,861	5,745
2.06 1b2p	1	51.50	161.96	8,341	5,241	8,341	5,241
3.01 2b3p	1	81.30	108.99	8,861	5,745	8,861	5,745
3.02 1b2p	1	51.90	160.71	8,341	5,241	8,341	5,241
3.03 2b3p	1	70.90	124.98	8,861	5,745	8,861	5,745
3.04 2b3p	1	61.50	144.08	8,861	5,745	8,861	5,745
3.05 1b2p	1	51.50	161.96	8,341	5,241	8,341	5,241
4.01 3b4p	1	81.30	114.07	9,274	6,146	9,274	6,146
4.02 2b3p	1	61.50	144.08	8,861	5,745	8,861	5,745
4.03 2b4p	1	74.00	119.74	8,861	5,745	8,861	5,745
4.04 2b3p	1	61.50	144.08	8,861	5,745	8,861	5,745
4.05 1b2p	1	51.50	161.96	8,341	5,241	8,341	5,241
5.01 2b4p	1	81.30	108.99	8,861	5,745	8,861	5,745
5.02 2b3p	1	61.50	144.08	8,861	5,745	8,861	5,745
6.01 3b4p	1	81.30	114.07	9,274	6,146	9,274	6,146
6.02 2b3p	1	61.50	144.08	8,861	5,745	8,861	5,745
Totals	27	2,047.10			156,307	240,471	156,307

Investment Valuation

G.01 3b6p							
Current Rent	6,146	YP @	6.0000%	16,6667	102,430		
G.02 3b5p							
Current Rent	6,146	YP @	6.0000%	16,6667	102,430		
G.03 3b5p							
Current Rent	6,146	YP @	6.0000%	16,6667	102,430		
G.04 2b4p							
Current Rent	5,745	YP @	6.0000%	16,6667	95,753		
1.01 3b4p							
Current Rent	6,146	YP @	6.0000%	16,6667	102,430		
1.02 3b4p							
Current Rent	6,146	YP @	6.0000%	16,6667	102,430		
1.03 2b3p							
Current Rent	5,745	YP @	6.0000%	16,6667	95,753		
2.01 2b3p							
Current Rent	5,745	YP @	6.0000%	16,6667	95,753		
2.02 2b3p							
Current Rent	5,745	YP @	6.0000%	16,6667	95,753		
2.03 3b6p							
Current Rent	5,745	YP @	6.0000%	16,6667	95,753		
2.04 2b4p							
Current Rent	6,146	YP @	6.0000%	16,6667	102,430		
2.05 2b3p							
Current Rent	5,745	YP @	6.0000%	16,6667	95,753		
2.06 1b2p							
Current Rent	5,745	YP @	6.0000%	16,6667	95,753		
3.01 2b3p							
Current Rent	5,241	YP @	6.0000%	16,6667	87,346		
3.02 1b2p							
Current Rent	5,745	YP @	6.0000%	16,6667	95,753		
3.03 2b3p							
Current Rent	5,241	YP @	6.0000%	16,6667	87,346		
3.04 2b3p							
Current Rent	5,745	YP @	6.0000%	16,6667	95,753		
3.05 1b2p							
Current Rent	5,745	YP @	6.0000%	16,6667	95,753		
4.01 3b4p							
Current Rent	5,241	YP @	6.0000%	16,6667	87,346		
4.02 2b3p							
Current Rent	6,146	YP @	6.0000%	16,6667	102,430		
4.03 2b4p							
Current Rent	5,745	YP @	6.0000%	16,6667	95,753		
4.04 2b3p							
Current Rent	5,745	YP @	6.0000%	16,6667	95,753		
4.05 1b2p							
Current Rent	5,745	YP @	6.0000%	16,6667	95,753		
5.01 2b4p							
Current Rent	5,241	YP @	6.0000%	16,6667	87,346		
5.02 2b3p							
Current Rent	5,745	YP @	6.0000%	16,6667	95,753		
6.01 3b4p							
Current Rent	5,745	YP @	6.0000%	16,6667	95,753		

APPRAISAL SUMMARY						IGLOO
Kipling Garages						
Current Rent	6,146	YP @	6.0000%	16.6667	102,430	
6.02 2b3p						
Current Rent	5,745	YP @	6.0000%	16.6667	95,753	
						2,605,114
Additional Revenue						
GLA Grant				322,785		
CLT Grant				5,000		
United St Saviours Grant				4,050		
					331,835	
NET REALISATION						2,936,949
OUTLAY						
ACQUISITION COSTS						
Fixed Price				1		1
CONSTRUCTION COSTS						
Construction	m²	Rate m²	Cost			
G.01 3b6p	166.22 m ²	2,578.49 pm ²	428,587			
G.02 3b5p	137.70 m ²	2,578.49 pm ²	355,065			
G.03 3b5p	137.70 m ²	2,578.49 pm ²	355,065			
G.04 2b4p	140.41 m ²	2,578.49 pm ²	362,034			
1.01 3b4p	113.51 m ²	2,578.49 pm ²	292,693			
1.02 3b4p	109.86 m ²	2,578.49 pm ²	283,285			
1.03 2b3p	114.86 m ²	2,578.49 pm ²	296,178			
2.01 2b3p	109.86 m ²	2,578.49 pm ²	283,285			
2.02 2b3p	83.11 m ²	2,578.49 pm ²	214,293			
2.03 3b6p	144.73 m ²	2,578.49 pm ²	373,184			
2.04 2b4p	95.54 m ²	2,578.49 pm ²	246,350			
2.05 2b3p	83.11 m ²	2,578.49 pm ²	214,293			
2.06 1b2p	69.59 m ²	2,578.49 pm ²	179,449			
3.01 2b3p	109.86 m ²	2,578.49 pm ²	283,285			
3.02 1b2p	70.14 m ²	2,578.49 pm ²	180,843			
3.03 2b3p	95.81 m ²	2,578.49 pm ²	247,047			
3.04 2b3p	83.11 m ²	2,578.49 pm ²	214,293			
3.05 1b2p	69.59 m ²	2,578.49 pm ²	179,449			
4.01 3b4p	109.86 m ²	2,578.49 pm ²	283,285			
4.02 2b3p	83.11 m ²	2,578.49 pm ²	214,293			
4.03 2b4p	100.00 m ²	2,578.49 pm ²	257,849			
4.04 2b3p	83.11 m ²	2,578.49 pm ²	214,293			
4.05 1b2p	69.59 m ²	2,578.49 pm ²	179,449			
5.01 2b4p	109.86 m ²	2,578.49 pm ²	283,285			
5.02 2b3p	83.11 m ²	2,578.49 pm ²	214,293			
6.01 3b4p	109.86 m ²	2,578.49 pm ²	283,285			
6.02 2b3p	83.11 m ²	2,578.49 pm ²	214,293			
Totals	2,766.35 m²		7,133,009			7,133,009
Construction Contingency		5.00%	357,129			
Development Contingency		5.00%	454,642			
Planning Application fee			10,395			
Design Review			1,800			
Southwark Legal S106 Fees			6,000			
Archeological			3,389			
Play Space			34,730			
Car club contribution			5,000			
Admin Costs £862			1,000			
S278			18,000			
Statutory/LA			29,700			
					921,785	
Other Construction						
Site Investigation			9,568			9,568
PROFESSIONAL FEES						
Pre-planning (Grant fund)			331,799			
Council Interim (Grant fund)			345,917			
CBS cashflowing (including VAT)			174,170			
Post contract (including VAT)			631,236			
					1,483,122	
Additional Costs						
Client Fee		5.00%	460,783			460,783
TOTAL COSTS						10,008,268
PROFIT						(7,071,318)
Performance Measures						
Profit on Cost%			(70.65)%			
Profit on GDV%			(271.44)%			
Profit on NDV%			(271.44)%			
Development Yield% (on Rent)			1.56%			
Equivalent Yield% (Nominal)			6.00%			
Equivalent Yield% (True)			6.23%			
IRR			256.14%			

APPRAISAL SUMMARY**IGLOO****Kipling Garages**

Rent Cover	-45 yrs -3 mths
Profit Erosion (finance rate 0.000%)	N/A

APPENDIX 4

CBS INCOME & EXPENDITURE 5-YEAR PLAN

	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21
<i>Income</i>					
Leathermarket JMB Grant	0	0	0	0	0
GLA Grant	0	0	0	0	0
Southwark Grant - Kipling client fee	251,755	188,816	0	0	0
Southwark Grant - Joseph Lancaster Client fee	0	16,667	321,429	142,857	0
Rental Income - Kipling	0	50,644	200,549	198,544	203,110
Rental Income - Joseph Lancaster	0	0	0	0	169,258
Total Income	251,755	256,127	521,978	341,401	372,369
<i>Expenditure</i>					
Accruals Reversal	(65,874)	0	0	0	0
Voids and bad debt on rentals - Kipling	0	1,519	6,016	5,956	6,093
Management and Maintenance of rentals - Kipling	0	16,987	69,510	71,109	72,745
Voids and bad debt on rentals - Joseph Lancaster	0	0	0	0	5,078
Management and Maintenance of rentals - Joseph Lancaster	0	0	0	0	60,621
Asset replacement Kipling (major works)	0	3,756	15,371	15,725	16,087
Asset replacement Joseph Lancaster (major works)	0	0	0	0	13,406
Salary Costs	45,524	46,571	47,642	48,738	49,859
Other overheads	35,000	35,805	36,629	37,471	38,333
CBS contribution to Joseph Lancaster (recycled client fee)	0	350,000	0	0	0
CBS contribution to Peveril (recycled client fee)	0	0	0	0	460,000
Interest on senior debt - Kipling	0	7,639	30,216	29,648	29,044
Interest on senior debt - Joseph Lancaster	0	0	0	0	62,632
Total Expenditure	14,650	462,278	205,385	208,647	813,897
Funds brought forward	305,860	542,965	336,814	653,407	786,160
Surplus/(Deficit) for period	237,105	(206,151)	316,592	132,754	(441,528)
Funds carried forward	542,965	336,814	653,407	786,160	344,632

APPENDIX 5:

CBS BALANCE SHEET: 5-YEAR PLAN

	Year End				
	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21
<i>Fixed Assets</i>					
Completed Houses - Kipling	0	2,600,000	2,600,000	2,600,000	2,600,000
Completed Houses - Joseph Lancaster	0	-16,667	-16,667	-16,667	2,846,000
Completed Houses - Peveril	0	0	0	0	333,333
<i>Current Assets</i>					
Prepaid capital costs	0	0	0	0	0
Accrued income	20	20	20	20	20
Cash at bank	542,966	861,262	1,168,640	1,291,610	1,687,812
Total fixed and current assets	542,985	3,444,616	3,751,993	3,874,963	7,467,165
<i>Creditors</i>					
Trade Creditors	0	0	0	0	0
Accruals	0	0	0	0	0
Senior Debt - Kipling	0	507,781	498,566	488,783	478,396
Senior Debt - Joseph Lancaster	0	0	0	0	1,381,450
Total Creditors	0	507,781	498,566	488,783	1,859,846
Net Assets	542,985	2,936,835	3,253,427	3,386,181	5,607,319
Capital and reserves					
Called up share capital	20	20	20	20	20
Revaluation Reserve - Kipling	0	2,600,000	2,600,000	2,600,000	2,600,000
Revaluation Reserve - Joseph Lancaster	0	0	0	0	2,662,667
Funds	542,965	336,814	653,407	786,160	344,632
Total Capital and Reserves	542,985	2,936,835	3,253,427	3,386,181	5,607,319
	0	0	0	0	0

APPENDIX 6

CBS CASH FLOW: 5-YEAR PLAN

	Year End				
	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21
Receipts					
Leathermarket JMB Grant	0	0	0	0	0
GLA Grant	0	0	0	0	0
Southwark Grant - Kipling client fee	251,755	188,816	0	0	0
Southwark Construction Grant - Kipling	5,035,103	3,776,328	0	0	0
Southwark Grant - Joseph Lancaster Client fee	0	16,667	321,429	142,857	6,667
Southwark Construction Grant - Joseph Lancaster	0	333,333	6,428,571	2,857,143	133,333
Southwark Construction Grant - Peveril	0	0	0	0	0
Rental Income - Kipling	0	50,644	200,549	198,544	203,110
Rental Income - Joseph Lancaster	0	0	0	0	169,258
Drawdown of senior debt - Kipling	0	510,000	0	0	0
Drawdown of senior debt - Joseph Lancaster	0	0	0	0	1,400,000
Total Receipts	5,286,859	4,875,788	6,950,549	3,198,544	1,912,369
Payments					
Kipling Project costs	5,035,103	3,776,328	0	0	0
JL Project costs	0	666,667	6,428,571	2,857,143	333,333
Peveril Project costs	0	0	0	0	800,000
Salary Costs	45,524	46,571	47,642	48,738	49,859
Other overheads	35,000	35,805	36,629	37,471	38,333
Voids and bad debts on rentals - Kipling	0	1,519	6,016	5,956	6,093
Voids and bad debts on rentals - Joseph Lancaster	0	0	0	0	5,078
Management and Maintenance of rentals - Kipling	0	16,987	69,510	71,109	72,745
Management and Maintenance of rentals - Joseph Lancaster	0	0	0	0	60,621
Asset replacement Kipling	0	3,756	15,371	15,725	16,087
Asset replacement Joseph Lancaster	0	0	0	0	13,406
Interest and capital repayments on Kipling debt	0	9,858	39,431	39,431	39,431
Interest and capital repayments on Joseph Lancaster debt	0	0	0	0	81,182
Total Payments	5,115,627	4,557,491	6,643,172	3,075,573	1,516,167
Opening cash at bank	371,734	542,966	861,262	1,168,640	1,291,610
Cash inflow/(outflow) for the period	171,232	318,297	307,377	122,970	396,202
Closing cash at bank	542,966	861,262	1,168,640	1,291,610	1,687,812
Of which finance for Peveril					1,400,000

Appendix 7: 30-YEAR BUSINESS PLAN MODEL

DATED

The Mayor and Burgesses of the London Borough of Southwark (1)

Leathermarket Community Benefit Society Limited (2)

AFFORDABLE HOUSING GRANT AGREEMENT
in relation to Kipling Garages, Weston Street, London SE1 3RH

Anthony Collins Solicitors
134 Edmund Street
Birmingham B3 2ES

DSA.41657.0002

AFFORDABLE HOUSING GRANT AGREEMENT

THIS GRANT AGREEMENT is made the day of 2015

BETWEEN:

- (1) **The Mayor and Burgesses of the London Borough of Southwark**, whose principal office is at 160 Tooley Street, London SE1 2HZ (“the Council”); and
- (2) **Leathermarket Community Benefit Society Limited**, registered society number 32294R, registered at 26 Leathermarket Street, London SE1 3HN (“the Grant Recipient”)

BACKGROUND:

- A.** The Council has agreed to provide a grant to the Grant Recipient for the development of the Property for high quality, genuinely affordable residential accommodation pursuant to Section 24 of the Local Government Act 1988.
- B.** This Grant Agreement sets out the conditions on which funding is provided from the Council to the Grant Recipient. The Agreement specifies the purpose for which grant is to be provided, the reporting arrangements, monitoring and evaluation, liaison and communication between the Parties, and the funding to be provided to the Grant Recipient.
- C.** This Grant Agreement is supplemental to and co-terminus with the Agreement for Lease.

CONDITIONS OF GRANT:

1. DEFINITION OF TERMS

In this Grant Agreement the following words or phrases have the following meanings ascribed to them:

- Agreement for Lease:** means an Agreement for Lease of the Property of even date and made between the Council and the Grant Recipient
- Building Contract:** means a building contract or contracts for the carrying out of the Project or a letter of intent binding the Grant Recipient or its subsidiary having been signed and delivered by the Grant Recipient or its subsidiary to the building contractor
- Claim Form:** means a Claim Form in the form set out at Appendix 4
- Commencement Date:** means
- CPI** means the consumer prices index measure of inflation as verified by the Office for National Statistics
- Design Guide:** means the version of the London Housing Design Guide applicable at the submission of the planning application for the Project by the Grant Recipient

Development Plans:	means the quantity surveyor's cost plan, the project appraisal and the development programme for the Property as attached to this Agreement as Appendix 1 <u>or as amended from time to time following the Commencement Date and as notified to the Council by the Grant Recipient</u>
Duplicate Funding:	<u>means funding obtained from a third party for the same purpose and in relation to the same expenditure as the Grant and for the avoidance of doubt does not include any additional funding that the Grant Recipient may secure either a) in relation to any aspects of the Project for separate purposes or b) for any sum required to complete the Project over and above the Maximum Sum</u>
EIR:	means the Environmental Information Regulations 2004 together with any guidance and/or codes of practice issued by the Information Commissioner in relation thereto
Environmental Information:	has the meaning ascribed to it in Regulation 2(1) of the EIR
Final Report:	means a final report on the Project detailing: <ul style="list-style-type: none"> (a) the implementation of the Project; (b) a final statement on the progress of the Project against the <u>Development Plans Project Programme</u> and detailing any deviation; (c) a final expenditure statement detailing any deviation; (d) a statement of realised and/or anticipated outputs from the Project and any other benefits derived from the provision of the Grant; and (e) any other information as may be reasonably requested by the Council
Financial Year:	1 April - 31 March in each year
FOIA:	means the Freedom of Information Act 2000 and any subordinate legislation made under this Act from time to time together with any guidance and/or codes of practice issued by the Information Commissioner in relation thereto
Grant:	means the funding to be provided by the Council to the Grant Recipient under this Grant Agreement, up to the Maximum Sum
Grant Recipient's Allocation Policy:	means the allocations policy approved by the Grant Recipient and which is appended to this Agreement as Appendix 2 or as varied from time to time by the Grant Recipient in consultation with the Council but strictly subject to the requirement that all of the tenancies arising from the Project will be allocated for affordable housing
Grant Period:	means the Grant Period set out at Clause 2.1 of this Grant Agreement

Group:	means in relation to any party that is part of a group structure, the various organisations comprised in such group which either control or are controlled by the party (whether directly or indirectly) by virtue of shareholding, membership and/or board representation
Information:	means any information recorded in any form or media
Intellectual Property Rights:	means any or all of the following <u>in relation to the Project only</u> : patents, trademarks,
Rights:	service marks, drawings, designs, registered designs, utility models, design right, copyright (including copyright in computer software), database right, inventions, trade secrets and other confidential information, technical information, know-how, business or trade names, rights to prevent passing off, and all other intellectual property rights and rights of a similar or corresponding nature in any part of the world, whether registered or not or capable of registration or not and including all applications and the right to apply for any of the foregoing rights
Know-How:	means information, data, know-how or experience whether patentable or not and including but not limited to any technical and commercial information relating to research, design, development, manufacture, use or sale
Leathermarket JMB:	means Leathermarket Joint Management Board, a company limited by guarantee with registered number 02987890
Maximum Sum:	means £9,661,815.00 or such other sum as to be agreed between the parties acting reasonably
Party:	means a party to this Grant Agreement and “Parties” shall be construed accordingly
Payment Arrangements:	means the payment arrangements in respect of the Grant set out in Schedule 2
Practical Completion:	means the date of the certificate given by the contract administrator working on behalf of the Grant Recipient or its subsidiary under the Development Plans that the development at the Property is practically complete under the terms of the relevant building contract
Project Budget:	means the proposed budget for the Project <u>as set out in the project appraisal which forms part of Appendix 1 set out at Appendix 6 of this Grant Agreement</u> or as amended during the Project by agreement with the Council (acting reasonably) and the Grant Recipient
Project:	means the development of the Property as set out in Schedule 1
Property:	means the Kipling Garage site in the London Borough of Southwark as shown on the plan at Appendix 3
Recipient’s Representative	<u>means a director of the Grant Recipient or the project worker for the Grant Recipient</u>

- Rents:** means the net rental income ~~paid payable~~ to the Grant Recipient derived from dwellings on the Property, having deducted ~~a the reasonable charge for~~ management and maintenance costs incurred by the Grant Recipient in relation to the dwellings
- Request for Information:** shall have the meaning set out in FOIA or any apparent request for Information under the FOIA, the EIR or the Code of Practice on the discharge of public authorities' functions under part 1 of the FOIA
- Social Rents:** means the rents at the date of this Agreement as set out in Schedule 3 ~~which may be increased on an annual basis by the Grant Recipient by a rate of no more than CPI plus 1%~~
- Tenancy:** means the granting of a new assured tenancy at the Property by the Grant Recipient using the Tenancy Agreement
- Tenancy Agreement:** means the form of assured tenancy agreement attached to this Agreement as Appendix 4 or as varied from time to time by the Grant Recipient giving notice to the Council.

2. PERIOD OF AGREEMENT

- 2.1 This Agreement will continue from the ~~Commencement Date date at the head of this Agreement~~ to the end of 10 years and 6 months following the final Practical Completion ("the Grant Period") unless it is brought to an end in any of the ways described in this Agreement or in the event that the Agreement for Lease or Lease is terminated.

3. THE GRANT CONDITIONS

- 3.1 The Grant Recipient shall:
- 3.1.1 use the Grant only for the delivery of the Project;
 - 3.1.2 not change the Project without the written consent of the Council;
 - 3.1.3 use the Grant in accordance with this Grant Agreement;
 - 3.1.4 maintain proper paper and electronic records of evidence of spend and evidence of outputs achieved and provide these to the Council when requested;
 - 3.1.5 permit the Council and/or its appointed representative(s) to review the performance and compliance of the Grant Recipient in relation to this Grant Agreement, provided that reasonable notice has been given and at any time during normal working hours;
 - 3.1.6 ensure that value for money and sound procurement practices are applied to all contracts entered into in relation to the Project;
 - 3.1.7 ensure that the tenancies arising from the development of the Property are for affordable housing to remain at the Social Rents; and
 - 3.1.8 ensure that the development of the Property follows the Design Guide.

- 3.2 This Grant Agreement is personal to the Grant Recipient and the Grant Recipient shall not assign its obligations under this Agreement without the consent of the Council.
- 3.3 Any liabilities arising at the end of the Grant Period or including any redundancy liabilities for staff employed by the Grant Recipient to deliver the Project must be managed and paid for by the Grant Recipient using the Grant or other resources of the Grant Recipient. There will be no additional funding available from the Council for this purpose.
- 3.4 ~~Continuing payment of No~~ Grant shall be conditional upon paid unless and until the Council being is satisfied (acting reasonably) that such payment will be used for proper expenditure in the delivery of the Project. Claims for Grant shall be made by means of -is accompanied by a valid Claim Form (accepting that payment of Grant is to be made in advance). ~~-with s~~Supporting evidence of previous spend shall be provided to the reasonable satisfaction of the Council to justify any works ~~to be~~ undertaken in accordance with the Project.
- 3.5 The amount of the Grant shall not be increased above the Maximum Sum in the event of any overspend by the Grant Recipient in its delivery of the Project and any such overspend shall be the Recipient's liability.
- 3.6 The Grant shall be held in a ring fenced account by the Grant Recipient.
- 3.7 The Grant Recipient shall not transfer any part of the Grant to bank accounts which are not ordinary business accounts within the clearing bank system, without the prior written consent of the Council.
- 3.8 The Grant Recipient shall in a timely manner and in such manner to be agreed between the Parties pay to the Council any money incorrectly paid to it over and above the Grant claimed either as a result of an administrative error or otherwise.
- 3.9 Where the Grant Recipient has obtained funding from a third party in relation to its delivery of the Project (including without limitation funding for associated administration and staffing costs) the amount of such funding shall be included in the Project Budget ~~at Appendix 6~~ together with a clear description of what that funding shall be used for. For the avoidance of doubt, the Project Budget may be varied by the inclusion of any funding received from third parties but provided there is no duplication of funding to the Grant Recipient this will not alter the Maximum Sum.
- 3.10 The Grant Recipient shall not use the Grant to:
- (a) make any payment to members of its Governing Body;
 - (b) meet, cover or pay for any revenue expenditure; or
 - (c) pay for any expenditure commitments of the Grant Recipient entered into before the Commencement Date save where this has been provided for in the Project Budget
- unless this has been approved in writing by the Council.
- 3.11 The Grant Recipient shall not spend any part of the Grant on the delivery of the Project after the Grant Period.

- 3.12 Should any part of the Grant remain unspent at the end of the Grant Period, the Grant Recipient shall ensure that any unspent monies are returned to the Funder including any interest actually received by the Grant Recipient accrued on the grant amount.
- 3.13 The Grant Recipient and any other member of the same Group will comply with and will procure that any of its contractors complies with all applicable EU ~~P~~procurement regulations Requirements—in connection with the procurement of any works, equipment, goods and services in relation to the Project and shall promptly provide the Council or any Government Office any information which the Council may request in order to satisfy itself that the Grant Recipient and the contractor have done so where they are required to do so.
- 3.14 The Grant Recipient and any other member of the same Group will procure that procurement of works, equipment, goods and services by the Grant Recipient and its contractors shall be based on value for money. In determining how this requirement should be met, the Grant Recipient will (and will procure that its contractors will) take account of public sector accountability and probity and shall document the decision making process.
- 3.15 The Parties understand and agree that the Grant by the Council under this Agreement is not consideration for any supply for Value Added Tax ("**VAT**") purposes whether by the Recipient or otherwise.
- 3.16 If, notwithstanding the agreement and understanding of the Parties as set out in Clause 3.15 above, it is determined that the Grant is consideration for a supply for VAT purposes, the Grant shall be treated as inclusive of any VAT.

4. ACCOUNTS AND RECORDS

- 4.1 The Grant shall be shown in the Grant Recipient's accounts as a restricted fund and shall not be included under general funds.
- 4.2 The Grant Recipient shall keep separate, accurate and up-to-date accounts on an open book basis and records of the receipt and expenditure of the Grant monies received by it.
- 4.3 The Grant Recipient shall keep all invoices, receipts and accounts and any other relevant documents relating to the expenditure of the Grant for a period of six years from the Commencement Date. The Council shall have the right to review at the Council's reasonable request, the Grant Recipient's accounts and records that relate to the expenditure of the Grant and shall have the right to take copies of such accounts and records.
- 4.4 The Grant Recipient shall on request provide to the Council a copy of its annual accounts within six months (or such lesser period as the Council may reasonably require) of the end of the relevant financial year during the Grant Period.
- 4.5 The Grant Recipient shall comply with all statutory requirements as regards accounts, audit or examination of accounts, annual reports and annual returns applicable to itself.

5. MONITORING AND REPORTING

- 5.1 The Grant Recipient shall monitor the delivery and success of the Project throughout the Grant Period to ensure compliance with the terms and conditions of this Grant Agreement, the Agreement for Lease and their respective Schedules.

- 5.2 The Grant Recipient shall provide the Council with a financial report and an operational report of its use of the Grant within 30 days receipt of a written request to do so and in such formats as the Council may reasonably require.
- 5.3 The Grant Recipient shall provide the Council with copies of its risk register for the Project upon request.
- 5.4 The Grant Recipient shall on request provide the Council such further information, explanations and documents as the Council may reasonably require in order for it to establish that the Grant has been used properly in accordance with this Agreement.
- 5.5 The Grant Recipient shall upon receipt of five Working Days notice in writing from the Council permit any person authorised by the Council such reasonable access to its employees, agents, premises, facilities and records, for the purpose of discussing, monitoring and evaluating the Grant Recipient's fulfilment of the conditions of this Grant Agreement and shall, if so required, provide appropriate oral or written explanations from them.
- 5.6 Upon prior agreement the Grant Recipient shall permit any person authorised by the Council for the purpose to visit the Grant Recipient once every quarter to monitor the delivery of the Project. Where, in its reasonable opinion, the Council considers that additional visits are necessary to monitor the Project, it shall be entitled to authorise any person (with the prior agreement of the Grant Recipient) to make such visits on its behalf.
- 5.7 The Grant Recipient shall provide the Council with a Final Report on completion of the Grant Period which shall confirm whether the Project has been successfully and properly completed.
- 5.8 The Grant Recipient shall use all reasonable endeavours to provide the Council with any additional information that it may reasonably require to comply with any internal or external audit requirements.

6. ACKNOWLEDGMENT AND PUBLICITY

- 6.1 Subject to the remainder of this clause 6, the Parties shall agree to observe and follow the communication strategy to be agreed between the Parties acting reasonably.
- 6.2 Neither Party shall publish any press release or other formal communication concerning the Project without the prior written agreement of the other Party. For the avoidance of doubt, this shall not prevent either the Grant Recipient or Leathermarket JMB from communicating concerning the Project with residents in the area managed by Leathermarket JMB or pursuant to their existing contractual or governance obligations.
- 6.3 The Grant Recipient shall acknowledge the Grant in its annual report and accounts, or other equivalent reports, including an acknowledgement of the Council as the source of the Grant.
- 6.4 The Grant Recipient shall comply with all reasonable requests from the Council to facilitate visits, provide reports, statistics, photographs and case studies that will assist the Council in its promotional and fundraising activities relating to the Project.

7. ROLE OF THE COUNCIL

- 7.1 The Council will make payments of Grant according to the Payment Arrangements.

- 7.2 The Grant Recipient shall use all reasonable endeavours to appoint a representative of the Council to the board of the Grant Recipient by 1st April 2016. as soon as possible from the date of this Agreement. If the appointment requires amendment to the rules of the Grant Recipient or its governing arrangements, then the Grant Recipient shall use all reasonable endeavours to make such amendment in a timely fashion to allow the appointment to take place.

8. TENANCIES

- 8.1 The Grant Recipient shall not sell, charge or otherwise grant any right of exclusive possession of the Property (or any part thereof) save for the granting of a Tenancy in accordance with the Tenancy Agreement.
- 8.2 For the avoidance of doubt, nothing in this Agreement is to be held to prevent the Grant Recipient's ability to mortgage the Property or any part of it with a third party and grant a first charge to that third party to assist in future projects.

9. OBSERVANCE OF STATUTORY REQUIREMENTS

- 9.1 The Grant Recipient shall comply with all statutory and other provisions to be observed and performed in connection with the Project. This includes those relating to employment of staff, payment of salaries and wages (such as income tax and National Insurance contributions), premises and health and safety legislation.

10. INSURANCE AND INDEMNITY

- 10.1 The Grant Recipient shall immediately notify the Council and its own insurers of any event that may give rise to a claim, demand, proceeding damage cost or charge whatsoever arising out of this Agreement, in relation to the Project.
- 10.2 The Council does not accept any liability whatsoever to the Grant Recipient for any costs, claims, damages or losses incurred as a result of breach by the Grant Recipient of this Agreement or of any relevant statutory or other requirement in relation to the Project.
- 10.3 The Grant Recipient shall indemnify and hold harmless the Council, its employees, agents, officers or sub-contractors with respect to all claims, demands, actions, costs, expenses, losses, damages and all other liabilities arising from or incurred by reason of the actions and/or omissions of the Grant Recipient in relation to the Project, the non-fulfilment of obligations of the Grant Recipient under this Agreement or its obligations to third parties.
- 10.4 The Council's liability under this Agreement is limited to the payment of the Grant.

11. DISPUTE RESOLUTION

- 11.1 If either party to this Agreement wishes to raise a dispute concerning the other party to this Agreement ("the Complainant"), then the Complainant will notify the relevant party in writing, setting out the grounds for the complaint.
- 11.2 Following the receipt of a notice of dispute under clause 11.1, the Parties in question will use their reasonable endeavours to resolve the dispute within 28 days.

- 11.3 If the dispute or complaint cannot be resolved, then the matter will be referred to the relevant senior officer of the Council and the nominated representative of the Grant Recipient, who will use their respective reasonable endeavours to meet within 14 days of the matter being referred to them in accordance with this clause.
- 11.4 If the dispute or complaint cannot be resolved by the designated individuals under clause 11.3 then the matter may be passed for mediation under clause 12.

12. MEDIATION

- 12.1 Any dispute not resolved through negotiation under clause 11 of this Agreement shall at the request of either Party within 14 days of the meeting in clause 11.3 be referred to mediation.
- 12.2 If the Parties are unable to agree on a mediator or if the mediator agreed upon is unable or unwilling to act, either Party shall within 14 (fourteen) days from the date of the proposal to appoint a mediator or within 14 (fourteen) days of notice to either Party that he or she is unable or unwilling to act, apply to the Centre for Effective Dispute Resolution ("CEDR") to appoint a mediator.
- 12.3 The Parties will attempt to settle the dispute by mediation in accordance with the CEDR Model Mediation Procedure ("the Model Procedure"). The cost of such mediation shall be split equally between the Parties or as otherwise determined by the Parties during the mediation process.
- 12.4 The mediation will be conducted on a without prejudice basis and in strict confidence.
- 12.5 If a dispute is settled through mediation, the terms of the settlement will be recorded in writing in a legally binding form signed by a duly authorised representative of each of the Parties. If a settlement is reached while proceedings are pending, the Parties acknowledge that an appropriate application must be made to the courts to render the terms of the settlement as a consent order or award.
- 12.6 If, within 28 calendar days of the mediator being appointed, the mediation has not resulted in the settlement of the dispute being reached, then the mediation procedure shall, unless otherwise agreed, be terminated. In that event, any proceedings, which have been stayed, will resume.
- 12.7 If either Party withdraws from the mediation at any time, the mediation procedure will be terminated and either will be free to refer the dispute to the courts, unless proceedings have already been commenced but stayed pending the outcome of the mediation, in which case those proceedings will resume.
- 12.8 In the event that the dispute or complaint is not capable of being resolved through this mediation procedure then it shall be subject to the jurisdiction of the courts of England and Wales.

13. VARIATIONS

- 13.1 Any variation to this arrangement must be approved by the Parties in writing.

14. TERMINATION

- 14.1 Subject to clauses 14.2 and 14.3 below, payment of Grant to the Grant Recipient is not repayable.

- 14.2 In the event that, in the reasonable opinion of the Council, the Grant Recipient has not commenced a further development scheme with a purpose similar to the Project at least 12 months prior to the end of the Grant Period, then the Grant Recipient must pay to the Council the Rents derived from the Property.
- 14.3 The Council's intention is that the Grant will be paid to the Grant Recipient in full. However, without prejudice to the Council's other rights and remedies, the Council may at its discretion withhold or suspend payment of the Grant and/or require repayment of all or part of the Grant if:
- 14.3.1 the Grant Recipient uses the Grant for purposes other than those for which they have been awarded;
 - 14.3.2 the delivery of the Project does not start within 12 months of the Commencement Date and the Grant Recipient has failed to provide the Council with a reasonable explanation for the delay;
 - 14.3.3 the Council acting reasonably considers that the Grant Recipient has not made satisfactory progress with the delivery of the Project;
 - 14.3.4 the Grant Recipient is, in the reasonable opinion of the Council, delivering the Project in a negligent manner;
 - 14.3.5 the Grant Recipient obtains ~~D~~uplicate ~~f~~unding from a third party for the Project;
 - 14.3.6 the Grant Recipient obtains funding from a third party which, in the reasonable opinion of the Council, undertakes activities that are likely to bring the reputation of the Project or the Council into disrepute;
 - 14.3.7 the Grant Recipient provides the Council with any materially misleading or inaccurate information;
 - 14.3.8 any member of the governing body, employee or volunteer of the Grant Recipient has (a) acted dishonestly or negligently at any time and directly or indirectly to the detriment of the Project or (b) taken any actions which, in the reasonable opinion of the Council, bring or are likely to bring the Council's name or reputation into disrepute;
 - 14.3.9 the Grant Recipient ceases to operate for any reason, or it passes a resolution (or any court of competent jurisdiction makes an order) that it be wound up or dissolved (other than for the purpose of a bona fide and solvent reconstruction or amalgamation);
 - 14.3.10 the Grant Recipient becomes insolvent, or it is declared bankrupt, or it is placed into receivership, administration or liquidation, or a petition has been presented for its winding up, or it enters into any arrangement or composition for the benefit of its creditors, or it is unable to pay its debts as they fall due;
 - 14.3.11 the Grant Recipient fails to comply with any of the terms and conditions set out in this Agreement and fails to rectify any such failure within 30 days of receiving written notice detailing the failure; or
 - 14.3.12 in the event of a material breach of the Agreement for Lease by the Grant Recipient leading to the Termination of the Agreement for Lease.

- 14.4 Where the Agreement is terminated in accordance with this clause then the Council will give notice of the termination to the Grant Recipient and the Grant Recipient will have no claim under this Agreement for damages or otherwise by reason of such termination.

15. STATUS OF THIS AGREEMENT

- 15.1 This Agreement will be deemed to have come into effect upon the date at the head of this Agreement and will continue until such time as it is terminated in accordance with clause 2 or clause 14 of this Agreement.
- 15.2 For the avoidance of doubt this Agreement (and any variations to it) may be entered into by any number of counterparts. Together they will have the same effect as if the various signatures or seals on each were on a single copy.

16. STATUS OF THE PARTIES

- 16.1 This Agreement is personal to each of the Parties.
- 16.2 No Party may assign the benefit or burden of its interest under this Agreement except with the written consent of the other Party (such consent not to be unreasonably withheld or delayed).
- 16.3 If the Grant Recipient is part of a Group it will use all reasonable endeavours to ensure other organisations within its Group adhere to the terms and spirit of this Agreement in so far as it relates to them.
- 16.4 Except as mentioned in this clause no one other than the Parties will have any right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.

17. LAW

- 17.1 This Agreement is to be governed by and construed in accordance with the law of England and Wales.
- 17.2 Subject to the dispute procedure in clauses 11 and 12 the Parties agree to submit to the exclusive jurisdiction of the English courts.

18. NOTICES

- 18.1 A notice given to a party under or in connection with this agreement:
- 18.1.1 shall be in writing and in English;
 - 18.1.2 shall be signed by or on behalf of the party giving it;
 - 18.1.3 shall be sent to the relevant party for the attention of the contact and to the address or fax number specified in clause 18.2, or such other address, fax number or person as that party may notify to the other in accordance with the provisions of this clause 18; and
 - 18.1.4 shall be:
 - 18.1.4.1 delivered by hand; or

18.1.4.2 sent by pre-paid first class post, recorded delivery or special delivery; or

18.1.4.3 sent by e-mail to an e-mail address notified by the relevant party to the other party for such purpose; and

18.1.5 is deemed received as set out in clause 18.2.

18.2 Delivery of a notice is deemed to have taken place (provided that all other requirements in this clause have been satisfied):

18.2.1 if delivered by hand, on signature of a delivery receipt or at the time the notice is left at the address; or

18.2.2 if sent by pre-paid first class post, recorded delivery or special delivery to an address in the United Kingdom, at 9.00 am on the second Business Day after posting; or

18.2.3 if sent by e-mail, one hour after the notice was sent.

19. NO PARTNERSHIP OR AGENCY

This Agreement shall not create any partnership or joint venture between the Grant Recipient and the Council, nor any relationship of principal and agent, nor authorise any party to make or enter into any commitments for or on behalf of the other party.

20. SEVERABILITY

If any part of this Agreement becomes invalid, illegal or unenforceable and such is so fundamental as to prevent the accomplishment of the purpose of this Agreement the parties shall in such an event negotiate in good faith in order to agree the terms of a mutually satisfactory provision to be substituted for the invalid, illegal or unenforceable provision which as nearly as possible validly gives effect to their intentions as expressed in this Agreement. In the event of failure to agree, then the parties shall invoke the dispute procedures set out in clauses 11 and 12 of this Agreement. The obligations of the parties under any invalid, illegal or unenforceable provision of this Agreement shall be suspended during such negotiations and procedures.

21. EQUALITY AND DIVERSITY

The Grant Recipient shall:

21.1 perform its obligations under this Agreement in accordance with the Equality Act 2010 and with all regulations and Codes of Practice, made under the same;

21.2 comply with any other requirements and instructions which the Council reasonably requires in connection with any equality obligations imposed on the Council in so far as they relate to the Project under relevant equality law; and

21.3 take all necessary steps, and inform the Council of the steps taken, to prevent unlawful discrimination.

22. CONFIDENTIALITY

22.1 Subject to Clause 23, each party shall during the Term of this Agreement and thereafter keep secret and confidential all Intellectual Property Rights or Know-How or

other business, technical or commercial information disclosed to it by the other party in connection with this Agreement and shall not disclose the same to any person save to the extent necessary to perform its obligations in accordance with the terms of this Agreement or save as expressly authorised in writing by the other party.

22.2 The obligation of confidentiality contained in this clause shall not apply or shall cease to apply to any Intellectual Property Rights, Know-How or other business, technical or commercial information which:

22.2.1 at the time of its disclosure by the disclosing party is already in the public domain or which subsequently enters the public domain other than by breach of the terms of this Agreement by the receiving party;

22.2.2 it is reasonably necessary for either party to disclose to those of its employees and sub-contractors as may be reasonably necessary or desirable in order to implement the provisions of this Agreement, provided that before any such disclosure the receiving party shall make those employees and sub-contractors aware of its obligations of confidentiality under this Agreement and shall at all times seek to ensure compliance by those employees and sub-contractors with them;

22.2.3 is already known to the receiving party as evidenced by written records at the time of its disclosure by the disclosing party and was not otherwise acquired by the receiving party from the disclosing party under any obligations of confidence; or

22.2.4 is at any time after the date of this Agreement acquired by the receiving party from a third party having the right to disclose the same to the receiving party without breach of the obligations owed by that party to the disclosing party.

23. FREEDOM OF INFORMATION

23.1 Provisions Common to FOI and EIR

23.1.1 Each party acknowledges that the Council is subject to the statutory duties imposed upon public authorities under the FOIA and the EIR and the Grant Recipient shall assist and cooperate with the Council to enable the Council to comply with these information disclosure requirements.

23.1.2 The parties shall ensure that all information produced in the course of the Agreement or relating to the Agreement is retained for disclosure under the FOI and the EIR (if required) and shall permit the other party to inspect such records as reasonably requested from time to time.

23.1.3 Where the Council receives a Request for Information under the FOIA or the EIR which relates to the Agreement, it shall inform the Grant Recipient of the Request for Information as soon as practicable after receipt and in any event within two Working Days of receiving a Request for Information.

23.1.4 if the parties determine that Information (including Confidential Information) must be disclosed pursuant to this Clause 23, it shall at least two Working Days before disclosure provide the Grant Recipient with a copy of the draft response to the Request for Information.

23.2 Freedom of Information Requests

23.2.1 Where one party deposits with the other party information which is intended to be information held on behalf of the other party it shall clearly indicate at the time of the deposit that this information is held on behalf of the other party.

23.2.2 Each party shall and shall seek to ensure that its sub-contractors, agents and employees shall where they receive a request for information under FOI:

23.2.2.1 transfer any Request for Information under the FOIA in respect of the information held on behalf of the other party to the depositing party as soon as practicable after receipt and in any event within two Working Days of receiving the Request for Information;

23.2.2.2 provide upon written request of the other party a copy of all information held on behalf of the other party in the form that the depositing party required within five Working Days (or such other period as the depositing party may specify) of the depositing party requesting that Information; and

23.2.2.3 provide all necessary assistance as reasonable requested by the depositing party to enable the depositing party to respond to a Request for Information within the time for compliance set out in section 10 of the FOIA.

23.2.3 The depositing party shall be responsible for determining at its absolute discretion whether the Information held on its behalf:

23.2.3.1 is exempt from disclosure in accordance with the provisions of the FOIA;

23.2.3.2 is to be disclosed in response to a Request for Information; and

in no event shall the other party respond directly to a Request for Information unless expressly authorised to do so by the depositing party.

23.3 Requests for Environmental Information

23.3.1 The parties acknowledge that the party holding information which is Environmental Information held on behalf of the other party may, acting in accordance with the EIR be obliged to disclose Information:-

23.3.1.1 without consulting with the depositing party; or

23.3.1.21 following consultation with the depositing party and having taken its views into account.

24. INTELLECTUAL PROPERTY

24.1 All ~~Project~~ Intellectual Property Rights shall be proprietary to and owned by the Grant Recipient immediately on its coming into existence.

24.2 To the extent that it is reasonably able to do so the Grant Recipient hereby grants to the Council an irrevocable, world-wide, royalty-free transferable non-exclusive right and licence (with freedom to sub-licence) ~~under the Project Intellectual Property~~ to use and exploit ~~all the Project~~ Intellectual Property Rights.

24.3 Notwithstanding termination of this Agreement for whatsoever reason the Grant Recipient shall at its expense do and execute, and shall seek to ensure that its employees and sub-contractors engaged in the performance of the Project do and execute any further thing or document as may be required by the Council to give effect to Clause 24.2.

24.4 The Grant Recipient warrants:

24.4.1 that it shall use its reasonable endeavours to ensure that the **Project Intellectual Property Rights** will not infringe the rights of any third party and that no third party has threatened or so far as it is aware is currently threatening proceedings in respect of such infringement; and

24.4.2 that it is able to undertake the Project without breaching any obligations it may owe to any third party now, or as far as it is at present aware, in the future and hereby undertakes to carry out the Project without knowingly breaching any such obligations and further undertakes not to assume any obligations to any third party which would be inconsistent with such undertaking. Without limitation, it warrants that it shall **use reasonable endeavours to seek to** acquire all rights in any **Project Intellectual Property Rights** obtained or developed by any third party contractors in the course of or in connection with the Project or shall be duly allowed to licence the same as contemplated under this Agreement.

24.5 The Grant Recipient shall indemnify and hold the Council harmless (and keep indemnified and hold harmless notwithstanding termination of this Agreement) against any and all loss or damage (including without limitation any economic loss or other loss of profits, business or goodwill or any consequential loss) suffered by the Council as a result of the Grant Recipients breach of any or all of the warranties in Clause **24.4**.

25. **REGISTRATION OF AGREEMENT AT THE LAND REGISTRY**

25.1 Following completion of the Lease, the Grant Recipient shall:-

25.1.1 as soon as reasonably practicable apply for a notice this Agreement to be registered at the Land Registry against the Grant Recipients leasehold title to the Property;

25.1.2 deal with any requisitions raised by the Land Registry acting reasonably; and

25.1.3 send the Council's solicitor official copies of the title within five working days of completion of the registration.

IN WITNESS whereof the Parties have each signed the Agreement and the Agreement is executed as a Deed but not delivered the day and year before written

SCHEDULE 1**PROJECT**

1. The Council will provide funding (monies) to the Grant Recipient equivalent to the cost of delivering the proposed scheme at the Property for high quality genuinely affordable homes subject to reasonable variations from time to time up to the Maximum Sum.
2. The affordable housing will be let at the Social Rents on the terms of the Tenancy Agreement.
3. The monies are to be used solely for the purpose of developing new genuinely affordable homes by the Grant Recipient at the Property.
4. The income from the new homes may be retained by the Grant Recipient to assist in the funding of future genuinely affordable housing projects.
5. Tenancies are to be granted in accordance with the Grant Recipient's Allocations Policy. The Grant Recipient shall use reasonable endeavours to minimise voids.

SCHEDULE 2**PAYMENT ARRANGEMENTS**

1. No payment of Grant shall be made unless and until the Council is satisfied **acting reasonably** that such payment will be used for proper expenditure on the delivery of the Project and the Grant Recipient has submitted a Claim Form, accepting for the avoidance of doubt that the Grant Recipient may ~~make~~ submit a Claim Form for payment in advance.
2. The amount of the Grant shall not be increased in the event of any overspend by the Grant Recipient in its delivery of the Project.
3. The Grant shall be paid into a separate bank account in the name of the Grant Recipient which must be an ordinary business bank account. All cheques from the bank account must be signed by at least two individual representatives of the Grant Recipient.
4. The Grant Recipient shall not transfer any part of the Grant to bank accounts which are not ordinary business accounts within the clearing bank system, without the prior written consent of the Council.
5. Following the start of the Grant Period and subject to the remainder of this schedule the Grant Recipient may request payment of Grant by giving 15 days' notice in writing to the Council.
6. A maximum of £300,000 paid in advance may be drawn prior to the commencement of building works.
7. Following the entering into of the Building Contract payment of Grant shall be made quarterly in advance in agreed payment amounts up to the Maximum Sum upon receipt of a Claim Form completed by the Grant Recipient and submitted to the Council.

SCHEDULE 3**PROPOSED RENTS**

- [1 bed £127.18 per week](#)
- [2 bed £145.80 per week](#)
- [3 bed £153.90 per week](#)

EXECUTED AS A DEED with the seal of the Mayor and Burgesses of the London Borough of Southwark, in the presence of:

Authorised signatory

EXECUTED AS A DEED by Leathermarket Community Benefit Society Limited and signed by:-

Director

Director/Secretary

Appendix 1: Development Plans

Appendix 2: Allocations Policy

Leathermarket CBS - Local Lettings Policy

[The Council and CBS have agreed that 50% local lettings criteria will be applied across three schemes, the Council's Long Lane development and the CBS's Kipling garages and Joseph Lancaster developments.](#)

[The Leathermarket CBS local lettings policy sets out the eligibility criteria for the allocation of the CBS new build homes to existing JMB tenants and the policy for determining priority for an allocation.](#)

[The CBS has adopted Southwark Council's approach to re-housing tenants as set out in the Housing Allocations Scheme November 2013.](#)

1) Eligibility for allocation

A JMB tenant who wishes to apply for a new build property must be registered on Southwark Council's Housing Register as a 'qualifying person'.

The tenant must have lived in Southwark for the last 5 years

The tenant must not be in breach of their tenancy agreement, including rent arrears, anti-social behaviour and unlawful sub-letting. The 'no rent arrears' criteria can be waived for tenants who are downsizing.

2) Determining priority between tenants

A tenant's priority for housing is determined by priority bands; band 1 being the highest and band 4 the lowest.

Band 1

- Tenants who are under-occupying a JMB tenancy and wish to move to a smaller property. (Tenants who have reached the qualifying age for state Pension Credit will be allowed to transfer to a property with one additional bedroom)
- Tenants who are statutorily overcrowded as defined by Part X of the Housing Act 1985, and have not caused the overcrowding through a deliberate act.

- Tenants who have to move as their home require major works within six months. This will be determined and managed subject to the Leathermarket JMB's decant procedure.

Band 2

- Tenants who have a severe medical, welfare award or disability where the current accommodation is unsuitable or it is unreasonable to remain in occupation. This can include where a tenant's condition is life-threatening and the tenant's accommodation is a major contributory factor, or the tenant's health is so severely affected by the accommodation that it is likely to become life-threatening.
- Tenants who are entitled to the Good Tenant Award (lived at the tenancy for 5 years, with no housing related debt or breach of tenancy agreement).
- Tenants who have priority on welfare grounds and require a move urgently because of a risk to their well-being or health.

Band 3

- Tenants who are overcrowded but not statutorily overcrowded as defined by Part X of Housing Act 1985.
- Tenants with a moderate medical priority where there is a clear objective need to move, because they include a person (or persons) whose illness or disability is either made worse by their present living conditions, or where a move to more satisfactory housing accommodation is likely to result in an improvement in health. However, the housing conditions directly contribute to causing serious ill-health.

Band 4

- All other tenants not included in Bands 1-3.

Additional Priority within the Bands

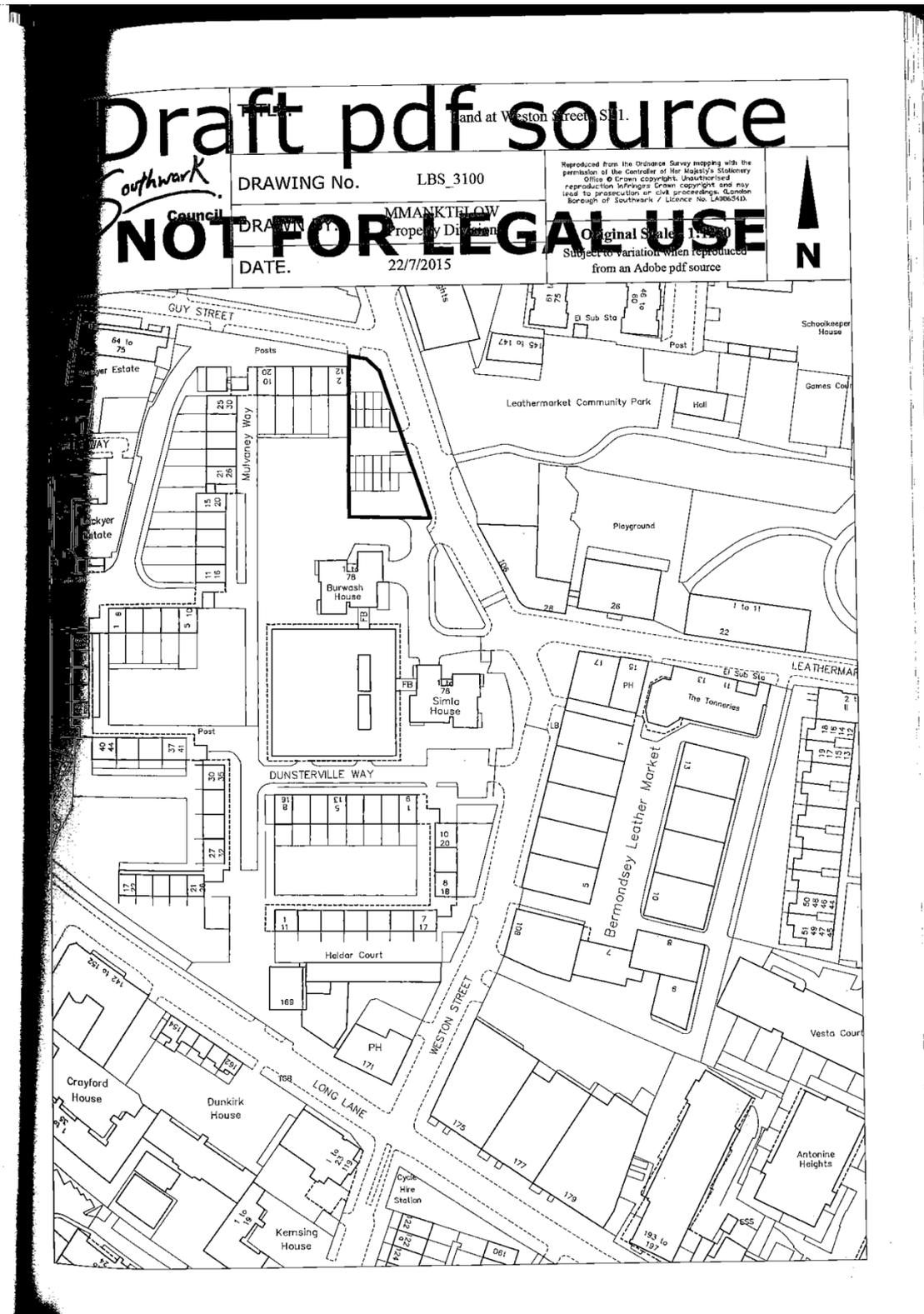
Within Bands 1 to 4 priority is accorded by;

- the number of priority stars the tenant has been awarded, in accordance with Southwark Council 'Priority Star system'
- the date of the tenant's registration.

3) Tenant participation

Priority is given to tenants who actively participate in the new homes design consultation process, with the provision of alternative engagement options for those who have difficulty participating due to health, childcare or other equalities factors.

Appendix 3: Plan of site



Appendix 4: Form of assured tenancy agreement

Appendix 5 : Claim Form

Claim Form

- This form must be completed in full and signed off by the Recipient's Representative as identified in the Grant Agreement.
- You must provide supporting evidence for all Project expenditure.
- Unless agreed with Council, all claims must be in line with the agreed budget.
- The Claim Form and supporting evidence must be sent to the Council.

1. Recipient details

<u>Name</u>	
<u>Organisation</u>	
<u>Address</u>	
<u>Project Title</u>	
<u>Bank Name and Address</u>	
<u>Bank A/C Number</u>	
<u>Sort Code</u>	

2. Funding - We wish to claim the following amount of:

£

3. Declaration and Undertaking

- We declare that the project is being implemented in accordance with the Grant Agreement.
- We undertake to notify the Council immediately in writing of any changes to detailed notes on this form and any attachments.
- Evidence of spend (invoices, certificates of work) will kept and made available for inspection by the Council.

<u>Name (block capitals)</u>	<u>Signature</u>	<u>Date</u>

Supporting evidence for the second instalment of the Grant must be provided with this claim form to support the claim for funding.

Appendix 6 : Project Budget



New Homes at Kipling Garages, Weston Street, Equality and health analysis

Section 1: Equality analysis details

Proposed policy/decision/business plan to which this equality analysis relates	Award of housing grant to Leathermarket Community Benefit Society
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Equality analysis author	Stephen Douglass, Director of Communities		
Strategic Director:	Gerri Scott, Strategic Director of Housing & Modernisation		
Department	Housing & Modernisation	Division	Communities
Period analysis undertaken	July 2016		
Date of review (if applicable)			

Section 2: Brief description of policy/decision/business plan

1.1 Brief description of policy/decision/business plan

This equality analysis relates to the award of a housing grant agreement for a development of 27 new homes at council rents by the Leathermarket Community Benefit Society on the site of the former Kipling Garages, Weston Street, London SE1 which is in the Leathermarket Joint Management Board (JMB) area. The JMB was the first and largest Tenant management Organisation in Southwark giving local residents real control over the management of their homes and neighbourhood.

Once completed the new homes will be available following the council's local lettings policy to those in housing need in the Leathermarket JMB area.

The homes consist of 4 one bed units, 13 two bed units and 10 three bed units.

The scheme is resident led and will enable households in housing need to move from overcrowded homes or those that are under-occupied. Three of the homes are to be wheelchair accessible and all twenty seven are build to lifetime homes standard

The decision maker is the council's cabinet.

Section 3: Overview of service users and key stakeholders consulted

2. Service users and stakeholders	
Key users of the department or service	<p>Users of the new development will be local Residents in housing need. The scheme will also free up 27 existing units on the Leathermarket area that will be available to people in need in accordance with the council housing allocation policy.</p>
Key stakeholders were/are involved in this policy/decision/business plan	<p>There has been an extensive period of consultation undertaken by the CBS which include a 2012 survey of housing need in the area this revealed that:</p> <ul style="list-style-type: none"> - 99% of households have a household income of less than £30,000; - 55% are registered for re-housing with the Council; - 10% describe themselves as in housing need, but not registered with the Council; - 70% of homes say they are overcrowded - compared with an average of 35% across Southwark as a whole; - 56% do not have any money for a deposit if they wish to buy a property; - 85% would not have the money for a deposit if they wish to rent privately; - 93% cannot afford a rent above £200 per week or the maximum amount that housing benefit will pay. <p>When asked about possible solutions, tenants said the following:</p> <ul style="list-style-type: none"> - 94% thought there should be more genuinely affordable social housing in the JMB estates area; - 85% expressed support for social housing being built on unused or under used land on their estate; - 77% think that staying in the JMB estate area is important. 38% are involved in local community groups; <p>This was followed by a more detailed Housing Needs Survey of all residents to establish the exact need. An attempt was made to make personal contact with each of the JMB's 1,000 properties. This survey established that 30% of all tenants were inadequately housed, many chronically overcrowded but some were under-occupying (many of who had no financial incentive to down size as the bedroom tax did not apply). Using this data, the CBS made its proposal to develop new homes that would prioritise downsizers, releasing larger homes for families and creating a far-reaching chain of benefit – a better fit for all (Appendix 2).</p> <p>The survey also reinforced the outcome of the initial survey with 85% percent of residents supportive of the building of more social housing on the estates underused land. As a result in order to protect the day-to-day management and maintenance function of the JMB, an independent Leathermarket Community Benefit Society was set up as a community-led Development Vehicle.</p>

	<p>The proposal aimed to ensure that development was done with and not to the local community and has had high levels of resident involvement at every stage. The aim of the CBS as a community led organisation is to be able to unlock challenging sites and maximise the provision of, much needed, new truly affordable homes.</p> <p>As part of this ongoing consultation residents have voiced that they want high quality, energy efficient homes that the community can be proud of.</p> <p>The CBS has taken a very different approach to community involvement, starting with a completely blank sheet of paper to involve local people in the design of the new homes and help to make sure they are well integrated with the wider estate and improve the local environment. Custom build principles have been used for the design of the new homes, involving tenants at an early stage and involving them throughout the design process.</p> <p>There is no systematic monitoring of pregnancy and maternity, gender reassignment, marriage/civil partnership, religion/belief or sexual orientation. Information about service users falling within these protected characteristics is available where there is self-disclosure or where issues raised may directly relate to the grouping.</p> <p>Monitoring data collated indicates there are a number of key characteristics of clients who may become tenants in the new homes:</p> <ul style="list-style-type: none"> • Approximately 63per cent describe themselves as non-white. This is significantly higher than the proportion of Southwark residents from these communities which, is closer to 50 per cent according to 2011 Census data, is closer to 50%. • 32% describe themselves as disabled, again significantly higher than in the wider population. • 20% are over 65, similar to the proportion across Southwark. • Around 20% have multiple needs or sever medical need. • 44% are over-crowded in their current accommodation, and 44% under-occupying. <p>The Leathermarket JMB and CBS have written equalities policies as do potential contractors and sub-contractors on the scheme and the CBS has equality issues embedded within its procurement processes. These cover monitoring of service users and considering the protected characteristics of the Equalities Act, undertaking Equality Analysis, setting equality objectives, engaging with the community, being transparent and accountable, embedding equalities in employment and training and equality of opportunity in recruitment, training, career development, promotion, retention and disciplinary procedures for staff.</p>
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Section 4: Pre-implementation equality analysis

This section considers the potential impacts (positive and negative) on groups with 'protected characteristics', the equality information on which this analysis is based and any mitigating actions to be taken.

The first column on the left is for societal and economic issues (discrimination, higher poverty levels) and the second column on the right for health issues, physical and mental. As the two aspects are heavily interrelated it may not be practical to fill out both columns on all protected characteristics. The aim is, however, to ensure that health is given special consideration, as it is the council's declared intention to reduce health inequalities in the borough. The Public Health Team can assist with research and data.

Age - Where this is referred to, it refers to a person belonging to a particular age (e.g. 32 year olds) or range of ages (e.g. 18 - 30 year olds).	
Potential impacts (positive and negative) of proposed policy/decision/business plan	Potential health impacts (positive and negative)
<p>Positive impacts. The homes are to be built to Lifetime Homes Standard developed to ensure that homes are accessible and inclusive.</p> <p>Lifetime Homes are ordinary homes designed to incorporate Design Criteria that can be universally applied to new homes at minimal cost. Each design feature adds to the comfort and convenience of the home and supports the changing needs of individuals and families at different stages of life.</p> <p>Lifetime Homes are about flexibility and adaptability; they are not 'special', but are designed to create and encourage better living environments for everyone. From raising small children to coping with illness or dealing with reduced mobility in later life.</p> <p>The Leathermarket JMB and CBS have written equalities policies as do potential contractors and sub-contractors on the scheme and the CBS has equality issues embedded within its procurement processes. These cover monitoring of service users and considering the protected characteristics of the Equalities Act, undertaking Equality Analysis, setting equality objectives, engaging with the community, being transparent and accountable, embedding equalities in employment and training and equality of opportunity in recruitment, training, career development, promotion, retention and disciplinary procedures for staff.</p>	<p>Positive impacts. The lifetime homes standard should mean that residents are able to remain and live independently in their homes for longer.</p>
Equality information on which above analysis is based	Health data on which above analysis is based

Leathermarket JMB survey and tenancy records. Leathermarket CBS Equalities Policy	
Mitigating actions to be taken	
None	

Disability - A person has a disability if s/he has a physical or mental impairment which has a substantial and long-term adverse effect on that person's ability to carry out normal day-to-day activities.

Potential impacts (positive and negative) of proposed policy/decision/business plan	Potential health impacts (positive and negative)
Positive impacts. In addition to the lifetime homes standard referred to above three of the units are being designed to accommodate wheelchair users.	Positive impacts. The lifetime homes standard should mean that residents are able to remain and live independently in their homes for longer.
Equality information on which above analysis is based	Health data on which above analysis is based
Leathermarket JMB survey and tenancy records. Leathermarket CBS Equalities Policy	
Mitigating actions to be taken	
None	

Gender reassignment - The process of transitioning from one gender to another.

Potential impacts (positive and negative) of proposed policy/decision/business plan	Potential health impacts (positive and negative)
No impact	No impact
Equality information on which above analysis is based.	Health data on which above analysis is based

Leathermarket JMB survey and tenancy records. Leathermarket CBS Equalities Policy	
Mitigating actions to be taken	
None	

<p>Marriage and civil partnership – In England and Wales marriage is no longer restricted to a union between a man and a woman but now includes a marriage between a same-sex couple. Same-sex couples can also have their relationships legally recognised as 'civil partnerships'. Civil partners must not be treated less favourably than married couples and must be treated the same as married couples on a wide range of legal matters. (Only to be considered in respect to the need to eliminate discrimination.)</p>	
Potential impacts (positive and negative) of proposed policy/decision/business plan	Potential health impacts (positive and negative)
No impact	No impact
Equality information on which above analysis is based	Health data on which above analysis is based
Leathermarket JMB survey and tenancy records. Leathermarket CBS Equalities Policy	
Mitigating actions to be taken	
None	

<p>Pregnancy and maternity - Pregnancy is the condition of being pregnant or expecting a baby. Maternity refers to the period after the birth, and is linked to maternity leave in the employment context. In the non-work context, protection against maternity discrimination is for 26 weeks after giving birth, and this includes treating a woman unfavourably because she is breastfeeding.</p>	
Potential impacts (positive and negative) of proposed policy/decision/business plan	Potential health impacts (positive and negative)
No impact	No impact

Equality information on which above analysis is based	Health data on which above analysis is based
Leathermarket JMB survey and tenancy records. Leathermarket CBS Equalities Policy	
Mitigating actions to be taken	
None	

Race - Refers to the protected characteristic of Race. It refers to a group of people defined by their race, colour, and nationality (including citizenship) ethnic or national origins. N.B. Gypsy, Roma and Traveller are recognised racial groups and their needs should be considered alongside all others

Potential impacts (positive and negative) of proposed policy/decision/business plan	Potential health impacts (positive and negative)
The analysis shows that of the potential new tenants 63% are non-white.	No impact
Equality information on which above analysis is based	Health data on which above analysis is based
Leathermarket JMB survey and tenancy records. Leathermarket CBS Equalities Policy	
Mitigating actions to be taken	
None	

Religion and belief - Religion has the meaning usually given to it but belief includes religious and philosophical beliefs including lack of belief (e.g. Atheism). Generally, a belief should affect your life choices or the way you live for it to be included in the definition.

Potential impacts (positive and negative) of proposed policy/decision/business plan	Potential health impacts (positive and negative)
No impact	No impact
Equality information on which above analysis is based	Health data on which above analysis is based

Leathermarket JMB survey and tenancy records. Leathermarket CBS Equalities Policy	
Mitigating actions to be taken	
None	

Sex - A man or a woman.	
Potential impacts (positive and negative) of proposed policy/decision/business plan	Potential health impacts (positive and negative)
No impact	No impact
Equality information on which above analysis is based	Health data on which above analysis is based
Leathermarket JMB survey and tenancy records. Leathermarket CBS Equalities Policy	
Mitigating actions to be taken	
None	

Sexual orientation - Whether a person's sexual attraction is towards their own sex, the opposite sex or to both sexes	
Potential impacts (positive and negative) of proposed policy/decision/business plan	Potential health impacts (positive and negative)
No impact	No impact
Equality information on which above analysis is based	Health data on which above analysis is based

Leathermarket JMB survey and tenancy records. Leathermarket CBS Equalities Policy	
Mitigating actions to be taken	
None	

Socio-economic disadvantage – although the Equality Act 2010 does not include socio-economic status as one of the protected characteristics, Southwark Council recognises that this continues to be a major cause of inequality in the borough. Socio economic status is the measure of an area's, an individual's or family's economic and social position in relation to others, based on income, education, health, living conditions and occupation.	
Potential impacts (positive and negative) of proposed policy/decision/business plan	Potential health impacts (positive and negative)
Positive impacts. The scheme will provide genuinely affordable homes on council rents to tenants on low incomes.	N/a
Equality information on which above analysis is based	Health data on which above analysis is based
Leathermarket JMB survey and tenancy records. Leathermarket CBS Equalities Policy	
Mitigating actions to be taken	
None	

Human Rights There are 16 rights in the Human Rights Act. Each one is called an Article. They are all taken from the European Convention on Human Rights. The Articles are The right to life, Freedom from torture, inhuman and degrading treatment, Freedom from forced labour, Right to Liberty, Fair trial, Retrospective penalties, Privacy, Freedom of conscience, Freedom of expression, Freedom of assembly, Marriage and family, Freedom from discrimination and the First Protocol
Potential impacts (positive and negative) of proposed policy/decision/business plan
Officers view is that this decision complies with the Human Rights Act and there is no evidence of it unjustifiably discriminating on any particular people or groups and the proposed scheme does not unjustifiably discriminate between housing applicants on grounds such as marital status, age, gender, disability or nationality.

Information on which above analysis is based
Leathermarket JMB survey and tenancy records. Leathermarket CBS Equalities Policy
Mitigating actions to be taken
None

Section 5: Further actions and objectives

5. Further actions			
Based on the initial analysis above, please detail the key mitigating actions or the areas identified as requiring more detailed analysis.			
Number	Description of issue	Action	Timeframe
1			
2			
3			
4			
5			
6			
7			

5. Equality objectives (for business plans)				
Based on the initial analysis above, please detail any equality objectives that you will set for your division/department/service. Under the objective and measure column please state whether this objective is an existing objective or a suggested addition to the Council Plan.				
Objective and measure	Lead officer	Current performance (baseline)	Targets	
			Year 1	Year 2

5. Health objectives (for business plans)				
Based on the initial analysis above, please detail any health objectives that you will set for your division/department/service. Under the objective and measure column please state whether this objective is an existing objective or a suggested addition to the Council Plan.				
Objective and measure	Lead officer	Current performance (baseline)	Targets	
			Year 1	Year 2

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