

## Executive

Wednesday October 14 2009  
7.00 pm  
Town Hall, Peckham Road, London SE5 8UB

### Membership

Councillor Nick Stanton  
Councillor Kim Humphreys  
Councillor Paul Kyriacou  
Councillor Linda Manchester  
Councillor Tim McNally  
Councillor Adele Morris  
Councillor David Noakes  
Councillor Paul Noblet  
Councillor Lisa Rajan  
Councillor Lewis Robinson

### Portfolio

Leader of the Council  
Deputy Leader and Housing  
Environment  
Community Safety  
Resources  
Citizenship, Equalities and Communities  
Executive Member for Health and Adult Care  
Regeneration  
Children's Services  
Culture, Leisure and Sport

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Webpage: <http://www.southwark.gov.uk>

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Members of the committee are summoned to attend this meeting

#### Councillor Nick Stanton

Leader of the Council  
Date: October 6 2009



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Wednesday October 14 2009  
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## Order of Business

Item No.	Title	Page No.
	<b>PART A - OPEN BUSINESS</b>	
	<b>MOBILE PHONES</b>	
	Mobile phones should be turned off or put on silent during the course of the meeting.	
<b>1.</b>	<b>APOLOGIES</b>	
	To receive any apologies for absence.	
<b>2.</b>	<b>NOTIFICATION OF ANY ITEMS OF BUSINESS WHICH THE CHAIR DEEMS URGENT</b>	
	In special circumstances, an item of business may be added to an agenda within five clear working days of the meeting.	
<b>3.</b>	<b>DISCLOSURE OF INTERESTS AND DISPENSATIONS</b>	
	Members to declare any personal interests and dispensation in respect of any item of business to be considered at this meeting.	
<b>4.</b>	<b>CORE STRATEGY PUBLICATION/SUBMISSION VERSION - HOUSING ISSUES</b>	1 - 45
	To agree the housing section of the core strategy publication/submission version to send to the council assembly for agreement for consultation.	
	To agree the proposed 'housing saved policies' for the Southwark Plan.	

Item No.	Title	Page No.
5.	<b>SOUTHWARK HOUSING STRATEGY 2009 - 2016</b>	46 - 129
	To agree the new Southwark Housing Strategy 2009 to 2016 and to note the development of an interactive housing supply and demand model.	
	To note the partnership arrangements set up between the borough and the Homes and Communities Agency.	
6.	<b>PREFERRED OPTIONS FOR ELMINGTON ESTATE</b>	130 - 146
	To agree in principle a mixed option of redevelopment and refurbishment for the blocks identified in Table 1 of the report to continue the regeneration of the Elmington Estate.	
	To agree that sites F, H and J be retained and refurbished as part of the Housing Investment Programme.	
	To agree the principle of redevelopment for blocks C, D, E and G.	
	To request officers to carry out detailed consultation with residents on the implications of the mixed option, including likely timescale, rehousing proposals, impact of refurbishment, and issues for leaseholders.	
7.	<b>DISPOSAL OF LAND AT COOPERS ROAD SE1 (PHASE 4)</b>	147 - 152
	To agree the sale of the land at the Coopers Road estate SE1, as shown and highlighted on the plan attached to the report.	
8.	<b>VARY TERMS OF DISPOSAL - SILWOOD PHASE 4B, ROTHERHITHE SE16</b>	153 - 158
	To authorise the varying of the terms of the disposal of the site known as Silwood Phase 4B to Higgins Homes plc and Notting Hill Housing Trust.	
9.	<b>GATEWAY 2 - CONTRACT AWARD APPROVAL - INTERNAL AUDIT AND RELATED SERVICES</b>	159 - 171
	To approve the award of the Council's internal audit and related services contract.	
	<b>DISCUSSION OF ANY OTHER OPEN ITEMS AS NOTIFIED AT THE START OF THE MEETING.</b>	

**EXCLUSION OF PRESS AND PUBLIC**

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

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

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

**PART B - CLOSED BUSINESS****10. DISPOSAL OF LAND AT COOPERS ROAD, SE1 (PHASE 4)**

To consider the closed information relating to the disposal of land at Coopers Road, SE1.

**11. VARY TERMS OF DISPOSAL - SILWOOD PHASE 4B, ROTHERHITHE SE16**

To consider the closed information relating to the variation of terms of disposal for Silwood Phase 4B.

**12. GATEWAY 2 - CONTRACT AWARD APPROVAL - INTERNAL AUDIT AND RELATED SERVICES**

To consider the closed information relating to the contract award approval for the internal audit and related services.

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

<b>Item No.</b>	<b>Classification:</b> Open	<b>Date:</b> October 14 2009	<b>Meeting Name:</b> Executive
<b>Report title:</b>		Core strategy publication/submission version – Housing issues	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Strategic Director of Regeneration and Neighbourhoods	

## RECOMMENDATIONS

That the Executive:

1. Agrees the housing section of the core strategy publication/submission version (appendix A) to send to the council assembly for agreement for consultation.
2. Agrees the proposed 'housing saved policies' for the Southwark plan as set out in Appendix B.

## BACKGROUND INFORMATION

3. The Core Strategy will provide the overarching planning framework for the borough. It will be a spatial plan which delivers the vision and objectives for Southwark set out in Southwark 2016. Looking forward to 2026, it will set out the kind of place we want Southwark to be, showing the areas in which growth will be expected to occur, those areas Southwark wishes to protect, such as open spaces, locations for employment uses, and Southwark's approach to maintaining a stable and balanced community through the delivery of schools, affordable housing and leisure facilities. Like all development plans, the Core Strategy must be consistent with national planning guidance and in general conformity with the London Plan. It must show how Southwark will deliver its regional housing target, as well as targets set for the opportunity areas (Elephant and Castle and London Bridge/Bankside) and areas for intensification (Canada Water). It will also need to focus on implementation and show when development in strategic areas will be delivered. It will also need to address how the transport and social infrastructure such as schools, which are needed to support growth, will be provided.
4. Legislation and national guidance sets out the requirements for the preparation of a core strategy. We have complied with these requirements. Preparation of the core strategy takes place over a number of stages: -
  - The first stage involved preparing and consulting on the sustainability appraisal scoping report (July to September 2008).
  - The second stage involved consulting on issues and options (October until December 2008). These set out two different approaches that could be taken for development in Southwark.
  - The third stage involved a consultation on preferred options (April to July 2009). These established a direction for policies such as the amount of new housing, tenure, transport, open spaces, schools and health facilities.
5. The council is now at the fourth stage in which the version is consulted on and then submitted to the Secretary of State for independent examination.

6. The draft submission core strategy will then be subject to an examination in public held by a planning inspector appointed to act on behalf of the Secretary of State. The inspector will consider representations made by interested parties to test the soundness of the draft core strategy. This may involve the inspector asking further questions about issues and examining relevant evidence. He will then provide the council with a binding report with changes that the council has to make. The council will then make the changes set out in the inspector's report and finally agree the core strategy or reject the changes and make a decision about whether to return to issues and options or to take another way forward.
7. We are faced with many challenges in making sure the Core Strategy meets the needs of our diverse population and environment. These include:
- How we can achieve sustainable development by balancing environmental, social and economic needs to ensure a good quality of life for now and in the long term;
  - How we can build more housing and how it can meet the needs of such a diverse population. This includes how we can provide family housing, housing for first time buyers, social rented housing and different types of housing such as flats and houses.;
  - How we can balance the need for more housing with other demands on the land such as for community facilities, open spaces, new offices and leisure centres;
  - How we can ensure that development happens through implementation.
8. Based on the feedback we received on our issues and options report, we decided to take forward mainly the growth areas approach, with some ideas from the housing led approach. This prioritises development in the growth areas:
- Central Activities Zone
  - Bankside, Borough and London Bridge opportunity area
  - Elephant and Castle opportunity area
  - Peckham and Nunhead action area
  - Canada Water action area
  - Aylesbury action area
  - West Camberwell regeneration area
  - Old Kent Road regeneration area.
9. Most new development will happen in the growth areas. We are aiming to balance providing as many homes as possible with growth of other activities that create successful places such as places to work, leisure, arts and culture, sports, health centres and tourist activities. We will encourage developments to focus on the strengths of places that make the different areas of the borough distinctive.
10. The core strategy policies will replace some of the policies in the Southwark Plan. Under the planning and compulsory purchase act 2004, unless expressly replaced by a new policy, old policies (adopted Southwark plan policies) must be saved for 3 years from the date it was approved (July 2007). We need to seek the Secretary of State's agreement to save policies. We need to submit to the Government Office for London our list of proposed saved policies with reasons by January 2010 as they require them 6 months before the 3 year deadline. The government have set out the criteria that they consider should be taken into account when saving policies. Planning policy statement 12 paragraph 5.15 says that policies to be extended should comply with the following criteria:
- Where appropriate, there is a clear central strategy;

- Policies have regard to the community strategy;
- Policies are in general conformity with the London plan;
- Policies are in conformity with the core strategy;
- There are effective policies for any parts of Southwark's area where significant change in the use or development of land or conservation of the area is envisaged;
- Policies are necessary and do not repeat national or regional policy;
- The government will have particular regard to;
- Policies that support the delivery of housing, including unimplemented site allocations, up to date affordable housing policies, policies relating to the infrastructure necessary to support housing;
- Policies on MOL;
- Policies that support economic development and regeneration, including policies for retailing and town centres;
- Policies for waste management, including unimplemented site allocations;
- Policies that promote renewable energy, reduce impact on climate change and safeguard water resources.

## CONSULTATION

11. The Planning and Compulsory Purchase Act 2004 (as amended by the Planning Act 2008) and the council's Statement of Community Involvement require consultation to be ongoing and informal to guide the overall approach to consultation on the Core Strategy. The council has prepared overarching consultation strategies for each of the documents. At each stage in preparing the documents, the council has prepared detailed consultation plans.
12. The council will consult until February 26 2010 in line with the requirements of the SCI, the second half of this period will comprise a period of formal consultation. All documents will be available on the internet, in council offices, libraries and area housing offices. Adverts will also be placed in the press.
13. It is important to recognise that a considerable amount of consultation has taken place over the last few years. The council aims to build on this process and demonstrate that previous comments have been taken into account to try and avoid consultation fatigue.
14. There were 100 respondents on the Preferred Options. These respondents made 189 comments on the housing policies. The key points raised are set out below with how we have addressed them:
15. There were 5 main issues concerning policy 5 providing new homes. These were:
  - Whether we should encourage housing development in all brownfield sites not just growth areas. We will be encouraging development on all appropriate sites, however we would expect more development in the growth areas because they generally include the large development sites in accessible areas;
  - We need to be clearer how the SHLAA sites designation impacts on individual sites. We will provide more detail;
  - Overall support of increased density in core action areas and opportunity areas;
  - Should apply density policy more flexibly. The density policy provides a guideline, the consideration of height, scale, bulk and massing is then considered in more detail in other policies so the policy will remain with the current parameters.

16. There were 3 main issues concerning policy 6 homes for people on different incomes. These were:
- Tenure should be linked to viability and the level of affordable housing should be done on a site by site basis and linked to viability;
  - We have tested the viability of housing in different locations within Southwark to make sure that the different levels of tenure are viable. However the tenure required should be determined by need and creating mixed and balanced communities rather than just viability;
  - There was general support for the area based approach.
17. There were 3 main issues concerning policy 7 family homes. These were:
- It is also important to provide for single and childless couples as well as family housing. We are providing 1 and 2 bed flats that should meet the needs for single and childless couples;
  - The mix of units should be carried out on an individual site basis and they want the policy to have more flexibility. We have significant levels of need that require this policy to ensure that we provide a wide range of housing types;
  - There was a lot of support for the approach of 30% family housing.
18. There were 3 issues concerning policy 8 student homes. These were:
- Concern with asking for affordable housing as part of student schemes. We have an affordable housing target that we are aiming to meet through development of housing on identified sites. We will not meet this target if these sites are developed for student housing if this does not include a requirement for affordable housing. Therefore we need to require affordable housing in addition to student housing to meet our targets and provide for our housing needs;
  - We should work together with other London boroughs to provide student housing. We are a very high provider of student housing, we are unclear how working with other London boroughs would assist us with providing more student housing;
  - Should encourage student housing in the growth areas. Student housing will be welcomed throughout Southwark not just in the growth areas.
19. There were 2 issues concerning policy 9 Homes for Gypsies and travellers. These were:
- The current policy is too vague. We have provided a more detailed criteria based policy;
  - We should refer to the Gypsy and Traveler Needs Assessment. We have set out a policy that will meet the requirements of the needs assessment.
20. Comments from planning committee on October 6 2009 will be provided as an addendum.

## **KEY ISSUES FOR CONSIDERATION**

21. The policies that we use to implement our growth areas approach are based on themes and objectives in the Sustainable Community Strategy 2016. The purpose of the policies is to set out a strategy to create sustainable places in Southwark. More detailed area and development management policies are provided in area action plans and development plan documents such as the one on housing.



22. This report deals with the housing issues. The remainder of the core strategy is being considered by the Executive on October 20 2009.
23. The housing issues are summarised below with any issues that require consideration:
- **Policy 5 Providing new homes** – We want to help meet the housing needs of people who want to live in Southwark and London by providing high quality new homes in attractive environments, particularly in our growth areas. We will encourage new housing, as long as the local character, the environment, open spaces and Southwark’s heritage are not harmed. We will do this by developing housing on sites we own, including sites in Elephant and Castle, Bermondsey Spa, Canada Water and Peckham, through our regeneration programmes. Ensuring that development is of the right size and character (density) for the area so that we can build as many homes as possible while creating attractive places which fit well with their surroundings. We have changed some of these areas from the designations in the Southwark Plan. We have put more of the borough within the suburban zone to make sure that we build homes and developments that are a similar size to those already there, in places where there will be little development. We will no longer allow higher density in areas just because they have high levels of public transport accessibility. Instead we will only allow high densities in the central activities zone, opportunity areas and core action areas as this is where we want to focus the majority of our new development.
  - **Policy 6 Homes for people on different incomes** – We will provide homes that are affordable for people on a wide range of incomes including social rented, intermediate and private housing. We have differential policies requiring affordable and private housing depending on the mix of housing and the level of current completions so we require affordable housing in areas with high levels of private housing and both private and affordable in areas with high levels of social housing. We also are not proposing to replace 100% affordable housing, we will provide the local policy mix for each site.
  - **Policy 7 Family homes** – We will provide homes with three or more bedrooms for people on all incomes to help make Southwark a borough which is attractive for families. We will ask for developments of 10 or more units to have between 10% and 30% of homes for families. We are clarifying the percentages for different areas based on further evidence that we have received. Proposed changes to this policy may be presented in an addendum along with planning committee’s comments. We have simplified the requirement for improving the sizes of homes by setting a minimum space standard
  - **Policy 8 Student homes** - These will only be allowed in town centres and areas of high accessibility. We will require affordable housing on sites with student homes. This will ensure that we meet the need for students whilst ensuring that we have enough sites for homes including affordable homes to meet our targets.
  - **Policy 9 Homes for Gypsies and travellers** – We will protect current travellers pitches. We will set out a criteria based policy for considering where to put new gypsy and traveler pitches and we will allocate new pitches if necessary in our housing development plan document.
  - **Implementation** sets out how we intend to make sure that all of the policies will work in practice. We need to set out our housing target, affordable

housing target and how we will meet these. This will be a combination of council and private developer (both RSL and developer) led schemes. We have assessed all possible development sites over 0.25ha in Southwark to set out our sites that could be developed. We have assessed the capacity and phasing along with projections for under 0.25ha. We have put these into a development schedule. We are using this to monitor and bring forward development. We are working with the HCA, applying for PFI bids and setting up agreements with developers to assist us with achieving our targets and bringing funding into Southwark for housing and affordable housing.

- **Monitoring** sets out how we will measure whether we are achieving our goals.

24. We are suggesting that a number of the Southwark plan policies are saved and a number are removed based on the introduction of the core strategy policies and our assessment based on the government guidance. These are set out in appendix F.

### **Saving Southwark Plan policies**

25. Members will be aware that the Southwark Plan was adopted on July 28 2007. As part of the transition to the new Local Development Framework system, Planning Policy Statement 12 (PPS12) states that “all the policies contained in local plans are saved for three years after adoption”. However, if the council wishes to retain specified policies beyond that period, they will need to seek the Secretary of State’s agreement to extend the life of those policies by way of a Direction under paragraph 1(3), Schedule 8 Planning and Compulsory Purchase Act 2004.
26. The policies in the Southwark Plan are therefore saved until July 2010, at which point they would no longer have the force of development plan policies and carry no weight at any appeals. A key consideration was whether policies were compliant with the emerging core strategy.
27. As part of the agreement of new policies for the core strategy we will be removing some of the Southwark plan policies. The only policies that will be saved will be those that would be development management policies which will be reviewed in our development management development plan document. We are suggesting that some of the Southwark Plan policies are saved and some are removed based on our assessment based on the government guidance. These are set out in appendix B.
28. These policies are provided as part of the background information alongside the consultation on the core strategy. We will then be submitting these changes to the policies to the secretary of state at the end of January 2010.
29. The housing policies we are saving are; Policy 3.11 - Efficient Use of Land; Policy 4.2 - Quality of Residential Accommodation; Policy 4.5 - Wheelchair Affordable Housing; Policy 4.6 - Loss of Residential Accommodation; Policy 4.7 - Non-Self-Contained Housing for Identified User Groups.
30. The housing policies we are part replacing are: Policy 4.3 - Mix of Dwellings; Policy 4.4 - Affordable Housing

### **Community Impact Statement**

31. The purpose of the Core Strategy is to facilitate regeneration and deliver the vision of Southwark 2016 in a sustainable manner ensuring that community impacts are taken into account.

32. In preparing the submission version, the council has also completed Equalities Impact Assessment (available on the website). These highlight a number of key issues that need to be addressed in preparing the Core Strategy and the AAPs. The first of these is the need to ensure that the methods used to consult and engage people in the preparation of the Core Strategy and AAPs are open and accessible to all members of the community. To help address this issue the council has prepared consultation strategies which set out the principles of how it will consult and the importance of reducing barriers to consultation. These emphasise that particular needs such as access, transport, childcare and translation need to be considered, as well as a strategy to broaden the appeal of taking part in consultation and make it attractive to a diverse range of people and groups. At each stage, participation has been monitored and analysed to see whether any particular groups have not been engaged and whether this can be addressed at the next stage.
33. Other important issues include access to facilities, to shops, jobs, schools etc. It will be important to ensure that provision is located in areas which are accessible. This can be particularly important for groups who are less likely to have access to cars, including the young and elderly. While it will be important to improve access to public transport and reduce parking requirements, it should be borne in mind that some groups rely on cars, particularly families and the elderly.
34. Sustainability appraisals have been prepared at each stage to ensure the wider impacts of development are addressed. (available on the website)

#### **Resource/Financial Implications**

35. There are no specific financial implications associated with this paper. The financial implications of any particular policy or strategy should be addressed as part of any specific proposal.

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

##### **Strategic Director of Communities, Law and Governance**

36. Members are further advised that the main legal implications are set out in the body of the report, as the preparation and the adoption of the Core Strategy is a statute led process. This supplementary advice will therefore focus on reminding members of the processes involved.
37. Members are advised that Part 6 of the Town and Country Planning (Local Development) (England) Regulations 2004 ("the Regulations") there are procedural requirements that need to be prepared in the process of preparing the Core Strategy which are summarised as follows:
- i. pre-submission consultation with particular bodies (complete);
  - ii. pre-submission public participation (to begin when Council Assembly approval has been obtained );
  - iii. submission of the Core Strategy to the Secretary of State;
  - iv. representations on the Core Strategy;
  - v. representations on the site allocation representations which have been made;
  - vi. the examination;
  - vii. adoption of the Core Strategy.
38. This next stage is formal consultation of the proposals for the Core Strategy. The council is required to make available for public inspection in person and on its website the proposals for the DPD, any supporting documents and details of how to

make representations. Representations can be made within a six-week period (Regulation 27(2)) and the council must consider the representations before proceeding to prepare the Core Strategy and submit it to the Secretary of State (Regulation 27(3)).

39. The Core Strategy will then be sent to the Secretary of State as required by section 20(1) of the Planning and Compulsory Planning Act. This will be sent along with the sustainability appraisal report, the SCI and statements setting out the main issues raised and how these have been addressed in the Core Strategy and any supporting documents (Regulation 28(1)). It will also include a submission proposals map. This will then be followed by an independent examination.
40. Members are finally advised that the processes followed appear to be in compliance with the legal requirements set out in the Planning and Compulsory Purchase Act 2004 and accompanying regulations and statutory guidance.
41. In relation to the proposals to save policies, Members attention is particularly drawn to the paragraphs in the body of the report that focus on the saved policies. Members are asked to note.
42. Members of the Executive are being asked to agree the recommendations set out at the beginning of this report to Council Assembly under Part 3C, paragraph 3 of the Constitution that provides that the Executive is to approve for recommendation to Council Assembly those proposals and plans contained in the council's budget and policy framework.

### **The consultation plan/report**

43. The production of the Core Strategy is required to follow principles for community engagement in planning. In particular Regulations 24 and 25 of the Town and Country Planning (Local Development) (England) Regulations 2004 ('the Regulations') require the Council to consult with the community and stakeholders during the preparation and publish an initial sustainability report. Regulation 26 and Section 19(3) of the Planning and Compulsory Act 2004 ("the Act") specifically require local planning authorities to comply with their adopted SCI.
44. Where the SCI exceeds the consultation requirements of the Regulations, it must be complied with. The involvement of the public and stakeholders across different sectors in preparing the Core Strategy must follow the approach set out in the Council's SCI. This means that the Council is required to undertake timely and effective consultation. The approach outlined in the attached consultation documents is legally compliant and appropriate.

### **The Core Strategy publication/submission**

45. In devising its Core Strategy the Council is required to be consistent with national policy and in general conformity with the London Plan. This means that the choices made regarding, for example where growth should take place should follow national and regional policy.
46. The Core Strategy is key to delivering corporate and community aspirations. Therefore the key spatial planning objectives for the Southwark area should be in alignment with priorities identified in the SCS.
47. The Core Strategy must be justifiable. It must be founded on a robust and credible evidence base and should be the most appropriate strategy when considered against the reasonable alternatives.

48. The ability to demonstrate that the plan is the most appropriate when considered against reasonable alternatives delivers confidence in the strategy. It requires the Council to seek out and evaluate reasonable alternatives promoted by themselves and others.
49. The Core Strategy must be effective. This means that it must be deliverable, flexible and able to be monitored.
50. Deliverability is demonstrated by showing how the vision, objectives and strategy for the area will be delivered, by whom and when. This includes making it clear how infrastructure which is needed to support the strategy will be provided and ensuring that what is in the plan is consistent with other relevant plans (such as other DPDs) and strategies relating to adjoining areas.
51. Flexibility is demonstrated by showing that the Core Strategy can deal with changing circumstances. Core strategies should look over a long time frame – 15 years usually but more if necessary.
52. It is important to note that it is not always possible to have certainty about the deliverability of the strategy. In with a strategic approach to community involvement.
53. these cases the Core Strategy should show what alternative strategies have been prepared to handle this uncertainty and what would trigger their use.
54. A Core Strategy must have clear arrangements for monitoring and reporting results. Monitoring is essential for an effective strategy and will provide the basis on which the contingency plans within the strategy would be triggered. The delivery strategy should contain clear targets or measurable outcomes to assist this process.

### **Soundness of the Core Strategy**

55. Under the Planning and Compulsory Purchase Act 2004 S 20(5)(a) when the Core Strategy is finalised and submitted to the Secretary of State, an Inspector will be charged with firstly checking that the plan has complied with legislation and is otherwise sound. Section 20(5)(b) of the Act requires the Inspector to determine whether the plan is 'sound'. The 'soundness test' includes in particular ensuring that the plan:
  - a. has been prepared in accordance with the Local Development Scheme
  - b. is in compliance with the Statement of Community Involvement and the Regulations;
  - c. has been subject to Sustainability Appraisal;
  - d. has regard to and is consistent with national policy;
  - e. conforms generally to the Spatial Development Strategy, namely the London Plan;
  - f. has regard to other relevant plans, policies and strategies such as other DPDs which have been adopted or are being produced by the Council;
  - g. has regard to any sustainable community strategy for its area; and
  - h. has policies, strategies and objectives which are coherent, justified, consistent and effective.
56. These are the overarching principles that should be in members' minds when approving the documents before them.
57. On the basis of the evidence that has been reviewed there is no reason to believe that a Core Strategy based on the present publication/submission will not be

sound. However, prior to the finalisation of the submission draft further issues will need to be considered and developed further. These include:

- a. the relationship between the Core Strategy and the policies of adjacent Boroughs where there are cross boundary implications;
- b. how the Core Strategy addresses the three Area Action Plans (AAPs) that are emerging;
- c. how the Core Strategy will be flexible enough to accommodate changes in policy within the London Plan;
- d. as indicated in the publication/submission document, how the proposals will be implemented and, in particular, the infrastructure implications. A clear strategy for delivering (and paying for) the required infrastructure will need to be developed;
- e. the mechanisms that will be used to monitor the implementation of the CS and what approaches will be taken to address changes in circumstances.

### **Sustainability Appraisal**

58. The Planning and Compulsory Purchase Act 2004 requires a Sustainability Appraisal (SA) to be prepared for all emerging development plan documents and therefore this applies to the Core Strategy. A strategic environmental assessment (SEA) is required by the Environmental Assessment of Plans and Programmes Regulations 2004 and this normally forms part of the Sustainability Appraisal.
59. The Sustainability Appraisal required by section 19(5) of the Planning and Compulsory Purchase Act 2004 should be an appraisal of the economic, social and environmental sustainability of the plan.
60. The Sustainability Appraisal should perform a key role in providing a sound evidence base for the plan and form an integrated part of the plan preparation process. Sustainability assessment should also inform the evaluation of alternatives. It will also provide a means of proving to decision makers, and the public, that the plan is the most appropriate given reasonable alternatives.
61. The interim Sustainability Appraisal that has been provided is legally adequate to support the publication/submission. When consultation responses have been received and the submission draft of the Core Strategy is prepared further work will be carried out to ensure that it addresses alternative options, delivery issues and the implications of other elements of the development plan that are already being progressed. It will also make clear those elements of the document that are intended to meet the requirements for Strategic Environmental Assessment.

### **Equality Impact Assessment**

62. The council published its Equality Scheme 2008-2011 in May 2008. This sets out the council's overall policy for addressing equality, diversity and social cohesion in the borough. This policy recognises that people may face discrimination, or experience adverse impact on their lives as a result of age, disability, ethnicity, faith, gender or sexuality.
63. The carrying out of an EqIA in relation to policy documents such as the Core Strategy improves the work of Southwark by making sure it does not discriminate and that, where possible, it promotes equality. The EqIA ensures and records that individuals and teams have thought carefully about the likely impact of their work on the residents of Southwark and take action to improve the policies, practices or services being delivered. The EqIA in respect of the Core Strategy needs to consider the impact of the proposed strategies on groups who may be at risk of

discriminatory treatment and has regard to the need to promote equality among the borough's communities.

64. The submitted EqIA meets the reasonable requirements for this stage of the Core Strategy.

### Human Rights Considerations

65. The policy making process potentially engages certain human rights under the Human Rights Act 2008 (the HRA). The HRA prohibits unlawful interference by public bodies with conventions rights. The term 'engage' simply means that human rights may be affected or relevant. In the case of the Core Strategy erred Options, a number of rights may relevant:

- **The right to a fair trial (Article 6)** – giving rise to the need to ensure proper consultation and effective engagement of the public in the process;
- **The right to respect for private and family life (Article 8)** – for instance the selection of publication/submission from a number of alternatives could impact on housing provision, re-provision or potential loss of others. Other considerations may include significant impacts on amenities or the quality of life of individuals;
- **Article 1, Protocol 1 (Protection of Property)** – this right prohibits interference with individuals' right to peaceful enjoyment of existing and future homes. It could be engaged, for instance, if the delivery of any plan necessitates CPOs;
- **Part II Protocol 1 Article 2 Right to Education** – this is an absolute right enshrining the rights of parents' to ensure that their children are not denied suitable education. This will be a relevant consideration in terms of strategies in the plan which impact on education provision.

66. It is important to note that few rights are absolute in the sense that they cannot be interfered with under any circumstances. 'Qualified' rights, including the Article 6, Article 8 and Protocol 1 rights, can be interfered with or limited in certain circumstances. The extent of legitimate interference is subject to the principle of proportionality whereby a balance must be struck between the legitimate aims to be achieved by a local planning authority in the policy making process against potential interference with individual human rights. Public bodies have a wide margin of appreciation in striking a fair balance between competing rights in making these decisions.

67. This approach has been endorsed by *Lough v First Secretary of State* [2004] 1 WLR 2557. The emphasised that human rights considerations are also material considerations in the planning arena which must be given proper consideration and weight. However, it is acceptable to strike a balance between the legitimate aims of making development plans for the benefit of the community as a whole against potential interference with some individual rights.

68. The approach and balance between individual and community rights set out in the publication/submission is within justifiable margins of appreciation.

**BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
London Plan	Planning Policy Team Chiltern House	Sandra Warren 020 7525 5380
Southwark Statement of Community Involvement	Planning Policy Team Chiltern House	Sandra Warren 020 7525 5380
Southwark Local Development Scheme	Planning Policy Team Chiltern House	Sandra Warren 020 7525 5380
Southwark Plan 2007	Planning Policy Team Chiltern House	Sandra Warren 020 7525 5380

**APPENDICES**

<b>No.</b>	<b>Title</b>
Appendix A	Core strategy publications/submission version - housing
Appendix B	Saved policies - housing

**AUDIT TRAIL**

<b>Lead Officer</b>	Anne Lippitt, Strategic Director of Regeneration And Neighbourhoods	
<b>Report Author</b>	Julie Seymour, Head of Planning Policy	
<b>Version</b>	Final	
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<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director of Communities, Law and Governance	Yes	Yes
Departmental Finance Manager	Yes	Yes
<b>Date final report sent to Constitutional Support Services</b>		October 6 2009



# **Core Strategy Housing Policies**

## **Publications/submission**

**October 5 2009**

**Appendix A to the Executive report of October 14 2009**

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## **Policy 5 – Providing new homes**

### **Core Strategy objectives:**

#### ***Objective 1C: Be healthy and active***

Southwark's community is healthy and active. High quality sports and leisure centres are located across the whole borough and everyone has access to them. Open spaces are protected and the local community enjoys using these spaces, including parks and nature reserves. Good quality and accessible health facilities are located across the whole borough. Southwark will be without concentrations of people with poor health because everyone has access to good health, sports and leisure facilities, and open spaces.

#### ***Objective 2A. Create mixed communities***

People choose to live in Southwark because we have the mixture of different types of housing, jobs, shops, schools, community facilities, health centres, libraries, religious centres and leisure facilities needed by a diverse community.

#### ***Objective 2C: Provide more and better homes***

The whole of the borough will offer more housing of a range of different types to meet the needs of the community. All the housing will be built to a high quality of design. There will be a choice of housing types including more family housing, housing for students and more affordable housing.

#### ***Objective 2D: Create a vibrant economy***

Southwark as a successful and profitable place. The town centres will offer a range of shops and services, along with offices, tourism and cultural facilities. The Central Activities Zone, opportunity areas and action areas will have lots of different activities as well as housing.

#### ***Objective 2F: Conserve and protect historic and natural places***

Southwark's historic buildings will be protected and improved particularly in conservation areas and listed buildings. Open spaces and biodiversity will be protected, made more accessible and improved.

#### ***Objective 4A: Provide enough funding for regeneration to positively transform the image of Southwark***

We will work with landowners and developers to achieve regeneration, continuing to make Southwark a place that people aspire to be and that developers and landowners want to invest in. We will have a clear and flexible plan to make sure the right investment decisions are made and that regeneration happens on time.

## **Policy 5 – Providing new homes**

Development will meet the housing needs of people who want to live in Southwark and London by providing high quality new homes in attractive environments, particularly in our growth areas. Development will provide as much housing as possible whilst also making sure that we have enough land for other types of development and that new housing is in keeping with the character of the area.

### **We will do this by:**

- Providing 24,450 net new homes between 2011 and 2026.
- Meeting targets for the following areas between 2011 and 2026:

- Borough, Bankside and London Bridge Opportunity Area – 1900 net new homes  
 Elephant and Castle Opportunity Area – 4000 net new homes  
 Canada Water Action Area -2500 net new homes
- The density of developments being within the range set out in table 1.

**Table 1**

Density for both residential and mixed use residential development will need to be within the following ranges:

- Central Activities Zone: 650 to 1100 habitable rooms per hectare
- Urban Zone: 200 to 700 habitable rooms per hectare
- Suburban Zones – North, Middle and South: 200-350 habitable rooms per hectare

Within the opportunity areas and action area cores the maximum densities set out above may be exceeded when developments are of an exemplary standard of design.

**We are doing this because**

Our Sustainable Community Strategy, Southwark 2016 highlights the need to provide more and better homes in the borough, whilst conserving open spaces and making best use of existing housing. Our Strategic Housing Market Assessment and our Housing Requirements Study also highlight that we need to provide more housing in the borough to meet the needs of local people and those wanting to live in Southwark. By focusing housing in growth areas that are being regenerated and have good accessibility we can continue to protect our open spaces and the character of all of the different places in Southwark whilst also ensuring a continuous supply of housing.

The London Plan sets us a target of 16,300 net new homes between 2007/08 and 2016/17. We have rolled this target forward to 2026 to cover the 15 years timeframe of the Core Strategy to give ourselves a target of 24,450 net new homes between 2011 and 2026. Through our housing trajectory (appendix A) we have identified our estimate of housing supply based on looking at how much housing has been completed over previous years and sites that we expect to come forward in the future. We will update the trajectory every year as part of our Annual Monitoring Report. We will also take into account the revised housing figures from the Strategic Housing Land Availability Assessment. Through our input into the Mayor's Strategic Housing Land Availability Assessment we have identified sites which we think we can deliver 20,115 net new homes between 2011 and 2026 on sites of 0.25 hectares or above, of which 2744 already have planning permission. We have met our current annual target of 1630 net new homes a year twice. This is the 5th highest housing target in London. In addition to these sites we expect some windfall sites to come forward to help us deliver 24,450 net new homes. This is the most housing we expect to be able to deliver based on past experience, new sites we have identified and possible future windfall sites. We do not own a lot of the sites that will need to be delivered to meet this target and so

because we do not have direct control on all these sites, there is a risk that not all of the housing will come forward. We will use our own assets and work in partnership with the local community, the Homes and Community Agency, registered social landlords and private developers to bring forward as much housing as possible.

The Mayor is also consulting on targets for Borough, Bankside and London Bridge, Elephant and Castle, and Canada Water. Our target for Borough, Bankside and London Bridge is 1900 net new homes between 2011 and 2026. We have identified 1449 net new homes that we expect to be delivering during this time, of which 884 already have planning permission. The target for Elephant and Castle is 4000 net new homes. We have identified sites to deliver 3334 net new homes, of which 528 already have planning permission. The target for Canada Water is 2500 net new homes. We have identified sites to deliver 2491 net new homes, of which 852 already have planning permission. There is capacity within these areas to deliver these targets. We will use our own assets and work in partnership with the local community, the Homes and Community Agency, registered social landlords and private developers to bring forward as much of this housing as possible.

Having an area based approach where most development will happen in the growth areas will deliver our Community Strategy (Southwark 2016) objectives and our strategic housing targets in the London Plan.

It is important that we bring forward as much housing as possible whilst also protecting the character of our places and creating places where people want to live. We have set density ranges for different areas so we can make sure that the right amount of development happens in the right places. These ranges will apply to both residential and non-residential development. This will make sure that the opportunity and action area cores continue to be more developed successful places for people to live. Whilst the more suburban areas of the borough will continue to have development that are a similar scale to those already there. It will also make sure that we make efficient use of our land by providing as much housing as possible without negative impacts on the environment. Where development exceeds the density ranges within the opportunity areas and action area cores we will require the development to be of an exemplary standard of design. This is because too much development can have a negative impact on the environment unless it is built to a very high standard of design and living accommodation. The criteria for exemplary standard of design will be set out in detail in our Development Management Development Plan Document.

**Fact box: Bedroom sizes and habitable rooms**

A habitable room is a room that could be used for sleeping, whether or not it is. It includes bedrooms and living rooms. We measure things such as density, number of family units and affordable housing based on the number of habitable rooms in a development.

**Fact Box: Density**

Density is the measure of the amount (intensity) of development. Both residential and mixed use residential development should be within our density ranges. Our development management development plan document will set out how to calculate density for different types of development.

**Policy 6 - Homes for people on different incomes****Core Strategy objectives:*****Objective 2A. Create mixed communities***

People choose to live in Southwark because we have the mixture of different types of housing, jobs, shops, schools, community facilities, health centres, libraries, religious centres and leisure facilities needed by a diverse community.

***Objective 2C: Provide more and better homes***

The whole of the borough will offer more housing of a range of different types to meet the needs of the community. All the housing will be built to a high quality of design. There will be a choice of housing types including more family housing, housing for students and more affordable housing.

***Objective 4A: Provide enough funding for regeneration to positively transform the image of Southwark***

We will work with landowners and developers to achieve regeneration, continuing to make Southwark a place that people aspire to be and that developers and landowners want to invest in. We will have a clear and flexible plan to make sure the right investment decisions are made and that regeneration happens on time.

**Policy 6 – Homes for people on different incomes**

Development will provide homes including social rented, intermediate and private for people on a wide range of incomes,. Development should provide as much affordable housing as possible whilst also meeting the needs for other types of development and encouraging mixed communities.

**We will do this by:**

- Development will provide 8558 net new affordable homes between 2011 and 2026.
- Developments of 10 or more units must provide a mix of types of housing as set out in figure 2.

**We are doing this because**

There is a shortage of affordable homes, in Southwark, across London and the whole of the UK. So a key objective of the government, the Greater

London Authority and Southwark is to provide more affordable housing. Providing people with access to homes they can afford is a priority for us to make sure that Southwark is a better place for people to live, irrespective of their income. We will use our own land and work with the government, the Greater London Authority, private developers, registered social landlords and the Homes and Communities Agency to bring forward the maximum reasonable amount of affordable housing.

Our Strategic Housing Market Assessment and our Housing Requirements Study support our priority of needing more affordable housing to meet local need. They set out that there is a large need for more affordable housing, including both social rented and intermediate housing. We cannot meet all of this need as we also need to create mixed and balanced communities with a range of types of housing in all areas. We require development of 10 or more units to provide a minimum of 35% of the development as affordable housing. The same 35% minimum affordable housing policy will apply to both new and replacement housing. This is to provide increased housing choice, a wide range of housing types and to unlock the development of sites which would not otherwise be viable. This will help to meet some of the need identified in our studies. Based on how much housing we expect to deliver between 2011 and 2026, new development will provide a minimum of 8558 net new affordable homes.

Our Affordable Housing Viability Study shows that this is a viable amount of affordable housing to build across most of the borough. Our requirement for affordable housing needs to be within the context of our family homes policy where we are requiring larger room sizes and more family homes.

We currently have one of the highest amounts of affordable housing in the whole country, with 45% of our 123,948 dwellings as affordable homes. We own 33% of the housing in the borough, 12% is owned by registered social landlords and 55% is privately owned. Certain areas in the borough contain a lot of affordable housing and also the majority of new affordable housing is built in these areas. Based on the existing levels of affordable housing and new affordable housing built over the last 10 years, the areas with the highest amounts are: Elephant and Castle Opportunity area and the wards of Faraday, Camberwell Green, Brunswick Park, Peckham, Livesey, South Bermondsey and the Lane. Within these areas our annual monitoring report shows that there are mainly 100% affordable housing developments being built. We want to make sure that these areas provide a range of housing types with varied neighbourhoods. Our policy requiring an element of private housing in these areas will make sure in the future that is a choice of housing types rather than areas being dominated by one type of housing. Having an area based approach where most development will happen in the growth areas will deliver our Community Strategy (Southwark 2016) objectives and our strategic housing and affordable housing targets.

**Fact box: Affordable and private housing**

There are two types of housing:

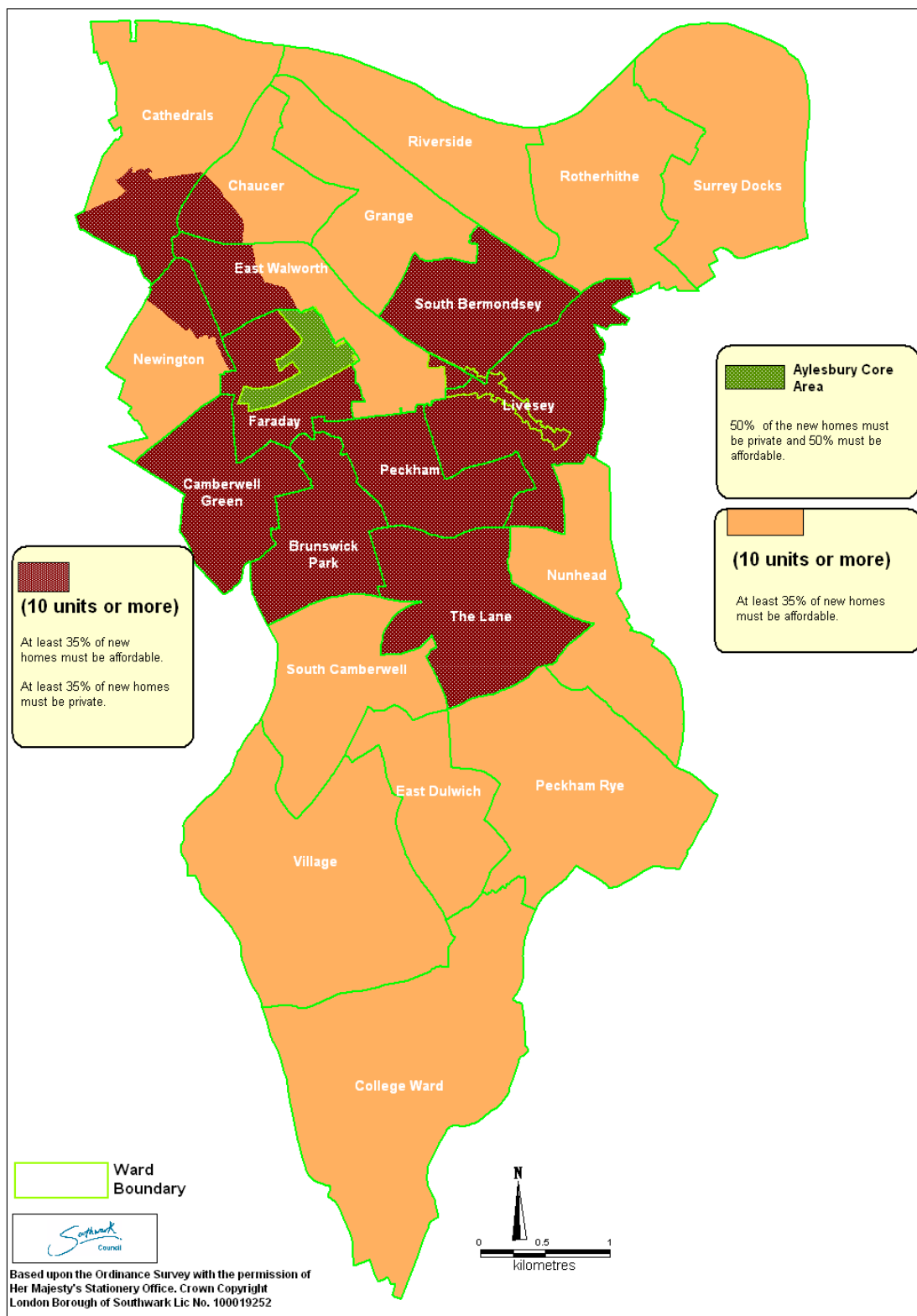
1. Private (or market) housing is available to either buy or rent privately on the open market
2. Affordable housing, as set out in London Plan policy 3A.8, meets the needs of households whose incomes are not enough to allow them to buy or rent decent and appropriate housing in their borough.

There are two types of affordable housing:

1. Social Rented Housing is housing that is available to rent either from the council, a housing association (known as Registered Social Landlords or other affordable housing providers). Access to social housing is based on housing need.
2. Intermediate affordable housing is housing at prices and rents above those of social rented but below private housing prices or rents. It can include part buy/part rent, key worker housing and intermediate rent housing.



Figure 1: Affordable and private housing approach



## **Policy 7 – Family homes**

### **Core Strategy objectives:**

#### ***Objective 2A. Create mixed communities***

People choose to live in Southwark because we have the mixture of different types of housing, jobs, shops, schools, community facilities, health centres, libraries, religious centres and leisure facilities needed by a diverse community.

#### ***Objective 2C: Provide more and better homes***

The whole of the borough will offer more housing of a range of different types to meet the needs of the community. All the housing will be built to a high quality of design. There will be a choice of housing types including more family housing, housing for students and more affordable housing.

### **Policy 7 – Family homes**

Development will provide more family housing with 3 or more bedrooms for people of all incomes to help make Southwark a borough which is affordable for families. New homes will have enough space for the needs of occupants.

#### **We will do this by:**

Developments of 10 or more units must have:

- At least 60% 2 or more bedrooms
- At least 30% 3, 4 or 5 bedrooms. This must be split between private, social and intermediate housing
- Within the Elephant and Castle Opportunity Area at least 10% must have 3, 4 or 5 bedrooms
- A maximum of 5% as studios and only for private housing

All developments must meet the following minimum overall floor sizes:

<b>Number of bedrooms</b>	<b>Minimum overall gross internal area (sqm)</b>
Studios	36
1 bedroom	50
2 bedrooms	70
3 bedrooms	86
4+ bedrooms	95

#### **We are doing this because**

We want to provide a range of housing sizes (especially more 3 or more bedroom homes) for people of all incomes. This will make Southwark a borough that is attractive for everyone as residents will be able to afford homes as their family grows.

London Plan Policy 3A.5 Housing choice requires us to make sure that new development offers a range of housing choices. This includes needing to provide a mix of housing sizes and types to meet the housing needs of different groups. Our Strategic Housing Market Assessment and our Housing

Requirements Study identify the housing needs within Southwark. They show that there is a need for more family housing in the borough across all tenures. At the moment we do not have enough family housing to meet the need within Southwark. Of the borough's existing households 34% are 3 bedroom plus, 35% are 2 bedrooms, 26% are 1 bedrooms and 5% are bedsits. This is not enough to meet our need for family housing and so many families are forced to live in overcrowded homes or unsuitable housing. Many are forced to move out of the borough to find affordable family housing. We need to provide more family housing to meet these needs so that people have suitable housing and do not need to move out of Southwark. We will work with the local community, government, the Greater London Authority, registered social landowners and private developers to do this.

Over the past three years we have delivered between 8 and 12% of all new homes as family housing. This has not been enough to meet our need for family housing. Through implementing the policy requiring 30% as family housing we will help to ensure that families do not need to move out of the borough or live in unsuitable or overcrowded accommodation.

There are two areas where we have varied the mix of homes. Together these areas will offer a genuine choice of housing across the area of Aylesbury and Elephant and Castle. In the Aylesbury action area core, we will achieve slightly higher levels of homes with two or more bedrooms (70%), in order to ensure we can meet the re-housing needs of existing tenants and to ensure the new neighbourhood is attractive to families. This is explained in more detail in the Aylesbury Area Action Plan. Within Elephant and Castle Opportunity Area we require a lower amount of family housing because of the vision for the area as a central London destination with 400,000sqm of new development. As there will be so much new shopping, leisure and business space to transform the area, new homes will normally be above ground floor. This minimises the potential to provide enough outdoor amenity space for family housing. It is very important that all housing development provides open space so that residents have outdoor space in which to play and relax. Family housing must provide a minimum of 10sqm of private amenity space to ensure that children have somewhere safe to play. This requirement is set out in our Residential Design Standards supplementary planning document. New housing developments must also provide communal play areas for children, as required by the Mayor's Supplementary Planning Guidance on Providing for Children and Young People's Play and Informal Recreation. The type of development proposed through the Elephant and Castle masterplan does not provide enough space to meet these requirements and is more suitable for higher levels of one and two bedroom homes to help transform the area.

We want all new development to be high quality with good living conditions. Requiring minimum floor areas will help to achieve this by making sure that an adequate amount of space is provided to create pleasant and healthy living environments. This is also a priority for the Mayor, who is currently consulting on a London Housing Design Guide requiring minimum space standards in order to make new homes provide good living conditions. At the moment

within the UK we build homes to a far smaller space standard than the rest of Europe. We need to change this to make sure that we provide high quality homes. Evidence shows that there can be many long-term effects of overcrowding including affecting how children perform at school and an increased risk of infection for children. Sufficient space is needed by everyone in the home to have space to play, work and study, and for privacy and quiet. Also there needs to be sufficient space for storage and for circulation within the home. The standards we require help us to improve the quality of development.

**Fact box: Family Housing**

A self-contained housing unit containing three or more bedrooms. Rooms must meet our minimum room sizes and the location of the family unit within the development, along with the provision of amenity space should meet the requirements as set out in the Residential design standards supplementary planning document.

**Policy 8 - Student homes**

**Core Strategy objectives:**

***Objective 1B: Achieve educational potential***

Southwark schools, universities, pre-schools and colleges as places where children and young people can achieve and gain the knowledge and skills to get a job. Southwark as a place that creates positive futures by building, redeveloping and improving educational facilities so that there is good access for everyone. Improving Southwark, will help to attract good teachers to work in the borough.

***Objective 2A. Create mixed communities***

People choose to live in Southwark because we have the mixture of different types of housing, jobs, shops, schools, community facilities, health centres, libraries, religious centres and leisure facilities needed by a diverse community.

***Objective 2C: Provide more and better homes***

The whole of the borough will offer more housing of a range of different types to meet the needs of the community. All the housing will be built to a high quality of design. There will be a choice of housing types including more family housing, housing for students and more affordable housing.

***Objective 2D: Create a vibrant economy***

Southwark as a successful and profitable place. The town centres will offer a range of shops and services, along with offices, tourism and cultural facilities. The Central Activities Zone, opportunity areas and action areas will have lots of different activities as well as housing.

**Policy 8 – Student homes**

Development will meet the needs of local universities and colleges for new student housing whilst balancing the building of purpose built student homes with other types of housing such as affordable and family housing.

**We will do this by:**

- Allowing development of purpose built student homes within the town centres, and places with good access to public transport services, providing that these do not harm the local character
- Requiring 35% of purpose built student developments as affordable housing
- Requiring a section 106 agreement for purpose built student housing

**We are doing this because**

There is a need for more student accommodation across the whole of London and Southwark. We want to encourage new student homes. However this needs to be balanced with making sure we have enough sites on which to build other types of homes, including affordable and family homes. London Plan Policy 3A.5 Housing choice requires us to identify the range of housing needs in the borough and offer a range of housing choices. Whilst London as a whole has a recognised need for more student bed spaces, our Strategic Housing Market Assessment and Housing Requirements Study also highlight the huge need for more family and affordable housing.

We already have the second largest number of purpose built student homes in London. Since 2005 there have been four significant planning permissions for student housing. If these are all built they will provide 979 new student bedrooms. Had these been developed for general needs housing, 360 new homes would have been built of which at least 343 would have been affordable homes and at least 98 would have been family homes. Increasingly we are receiving more and more planning applications and pre-application inquiries about new large scale purpose built student homes. Allowing too much student accommodation will restrict our ability to deliver more family and affordable housing.

Through our Strategic Housing Land Availability Assessment we have identified sites that need to be developed to make sure we can meet our housing targets. If these sites come forward without affordable housing we would not be able to meet our affordable housing target. Policy 3A.7 Affordable housing targets of the London Plan encourages boroughs to look at a range of sources of supply of affordable housing including provision for non-self-contained housing (which includes student housing). By requiring an element of affordable housing or a contribution to affordable housing for student accommodation schemes we can make sure we work towards meeting the needs for both student accommodation and affordable accommodation. It will also help us to provide more family housing as within the affordable housing there will be an element of family housing.

As with all types of major development, student housing has an impact on the surrounding area. By requiring a section 106 agreement we can make sure that the environmental, economic, cultural and social impacts of the development are minimised. We will only allow student housing in our town centres and areas with good public transport accessibility as these are the

areas which can accommodate growth. We will work with local universities to make sure that student accommodation is focused where there is a need.

### **Policy 9 – Homes for Gypsies and travellers**

#### **Core Strategy Objectives:**

##### ***Objective 2A. Create mixed communities***

People choose to live in Southwark because we have the mixture of different types of housing, jobs, shops, schools, community facilities, health centres, libraries, religious centres and leisure facilities needed by a diverse community.

##### ***Objective 2C: Provide more and better homes***

The whole of the borough will offer more housing of a range of different types to meet the needs of the community. All the housing will be built to a high quality of design. There will be a choice of housing types including more family housing, housing for students and more affordable housing.

#### **Policy 9 – Home for Gypsies and travellers**

We will continue to protect our existing Gypsy and Traveller sites. We will provide new sites in the future to meet the accommodation needs of Gypsy and Travellers.

#### **We will do this by:**

- Safeguarding the existing four Gypsy and Traveller sites in Southwark.
- Identifying new sites for additional facilities to meet the needs of Gypsies and Travellers having regard to:
  - The need for safe access to the road network
  - The impact on the local environment and the character
  - The impact on amenity
  - The availability of essential services, such as water, sewerage and drainage and waste disposal
  - The proximity to shops, services and community facilities
  - The need to avoid areas at high risk of flooding

#### **We are doing this because**

Gypsies and travellers are one of the most socially excluded ethnic minority groups in the country. Evidence suggests that there is a link between a lack of good quality gypsy and traveller sites and poor health and education. The government, through the Housing Act 2004 and Circular 01/2006 requires all local authorities to assess the accommodation needs of gypsies and travellers and to identify sites for their future needs. The criteria set out in this policy will make sure that future sites are suitably located to provide accommodation for gypsy and travellers whilst also being in keeping with the surrounding area and neighbouring land uses.

We will protect existing gypsy and traveller sites as required by London Plan Policy 3A.14 London's travellers and gypsies. We currently have 38

authorised Gypsy and Traveller pitches across four sites. The four sites are Bridale Close, Burnhill Close, Ilderton Road and Springtide Close. We have shown these on the proposals map. We will protect these sites to make sure they remain as homes for gypsies and travellers.

### **IMPLEMENTATION OF THE HOUSING POLICIES**

This table sets out how we will implement each of the 5 Core Strategy housing policies, by setting out our targets, the infrastructure needed and what we are doing, the phasing, who we will work with and where the funding will come from.

POLICY	TARGET	HOW WILL IT BE ACHIEVED AND THE INFRASTRUCTURE NEEDED	PHASING	WHO WILL BE INVOLVED	FUNDING
<b>5. Providing new homes</b>	<p>Meeting the London Plan overall housing target and rolling this on to 2026 to meet the target of 24,450 net new homes between 2011 and 2026.</p> <p>Meeting the new London Plan targets for net new homes for the following area:</p> <p>Borough, Bankside and London Bridge Opportunity Area: 1,900</p> <p>Elephant and Castle Opportunity Area: 4,000</p>	<p>Through our Strategic Housing Availability Assessment we have identified future potential housing sites over 0.25 hectares. The majority of these are within our growth areas..</p> <p>Designating housing sites on the proposals maps. Potentially designating more sites for housing through our housing development plan document.</p> <p>Through our housing trajectory we have identified our estimate of housing supply based on looking at how much housing has been completed over previous years and sites that we expect to come forward in the future. We will update the trajectory every year as part of our Annual Monitoring Report.</p> <p>Through our supply and demand model which provides a forecast of how much new housing will be delivered and the supply and demand for social rented housing. Using this model to assist with decanting residents from social rented housing and to help us to plan our regeneration programmes.</p>	2011-2026	Government, GOL, GLA, HCA, Southwark Council, Local Strategic Partnership, private developers, landowners, Registered Social Landlords, Southwark Housing Association Group` (SOUHAG)	



	<p>Canada Water action area core: 2,500</p>	<p>Through AAPs and area SPDS.</p> <p>Working with landowners and developers to bring sites forward.</p> <p>Developing council owned land.</p> <p>Working with the HCA to secure funding to help deliver more sites.</p> <p>Through our Housing Strategy reducing levels of homelessness in the borough.</p> <p>Through reviewing the impact of the policies every year through our Annual Monitoring Report.</p>			
	<p>New development within the density ranges set out in the core strategy</p>	<p>Through SHLAA sites identifying suitable densities. Through AAPs and SPDs doing more detailed work on strategic sites to set out detailed capacities and bulking and massing</p> <p>Through detailed polices in the area action plans, development management DPD and housing DPD. Through detailed guidance in the Borough, Bankside and London Bridge SPD and Dulwich SPD.</p> <p>Through reviewing the impact of the</p>	<p>2011-2026</p>	<p>Government, GOL, GLA, HCA, Southwark Council, private developers, landowners, Registered Social Landlords, Southwark Housing Association Group (SOUHAG)</p>	

		policies every year through our Annual Monitoring Report.			
<b>6. Homes for people on different incomes</b>	<p>Meet the affordable housing target of 8558 homes.</p> <p>Meeting the mix of housing required in different areas of the borough.</p>	<p>Through our Strategic Housing Availability Assessment we have identified future potential housing sites over 0.25 hectares. The majority of these are within our growth areas. Through the SHLAA we have demonstrated that can meet the target of 8558 new affordable homes through the 35% policy.</p> <p>Designating housing sites on the proposals maps. Potentially designating more sites for housing through our housing development plan document</p> <p>Through our housing trajectory we have identified our estimate of housing supply based on looking at how much housing has been completed over previous years and sites that we expect to come forward in the future. We will update the trajectory every year as part of our Annual Monitoring Report.</p> <p>Through our supply and demand model which shows provide a forecast of how much new housing will be delivered and the supply and demand for social rented housing.</p>	2011-2026	Government, GOL, GLA, HCA, Southwark Council, private developers, landowners, Registered Social Landlords, Southwark Housing Association Group (SOUHAG),	

		<p>Working with landowners and developers to bring sites forward.</p> <p>Working with Registered Social Landlords to bring forward new housing developments, such as through SOUHAG and our Joint Programme Board with the Homes and Community Agency.</p> <p>Developing council owned land.</p> <p>Working with the HCA to secure funding to help deliver more sites.</p> <p>Through applying for additional funding to build more affordable housing such as the Local Authority House Build as part of the National Affordable Housing Programme.</p> <p>Through our Housing Strategy reducing levels of homelessness in the borough.</p> <p>Through detailed polices in the area action plans, development management DPD and housing DPD. Through detailed guidance in the Borough, Bankside and London Bridge SPD and</p>			
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		<p>Dulwich SPD.</p> <p>Through detailed guidance in our Affordable Housing SPD and our Section 106 SPD.</p> <p>Through reviewing the impact of the policies every year through our Annual Monitoring Report.</p>			
<b>7. Family homes</b>	<p>Meet the mix set out in policy 7.</p> <p>60% as 2 bedrooms or more</p> <p>30% as 3, 4 or 5 bedrooms</p> <p>10% as 3,4 or 5 bedrooms in the Elephant and Castle Opportunity Area</p> <p>Maximum of 5% of private housing as studios. No studios in</p>	<p>Through our Strategic Housing Availability Assessment we have identified future potential housing sites. This sets out how much family housing will be on each of these sites.</p> <p>Through requiring more family housing in less dense areas.</p> <p>Through setting out area specific family housing targets through our area action plans.</p> <p>Working with landowners and developers to bring sites forward.</p> <p>Working with Registered Social Landlords to bring forward new housing developments, such as through SOUHAG.</p> <p>Developing council owned land.</p>	2011-2026	Government, GOL, GLA, HCA, Southwark Council, private developers, landowners, Registered Social Landlords, Southwark Housing Association Group (SOUHAG)	

	affordable housing.	<p>Working with the HCA to secure funding to help deliver more sites.</p> <p>Through reviewing the impact of the policies every year through our Annual Monitoring Report.</p>			
<b>8. Student homes</b>	Student housing located in town centres and areas with good public transport accessibility.	<p>Our Strategic Housing Land Availability Assessment shows all our potential housing sites over 0.25 hectares. It sets out how much general needs and affordable housing would be built if these sites come forward as general needs housing.</p> <p>Through working with local universities and colleges to make sure that new purpose built student housing is built where it is needed.</p> <p>Development management DPD and Housing DPD will set out more detailed policies for student housing.</p> <p>Through requiring affordable housing by implementing our section 106 SPD and Affordable Housing SPDs.</p> <p>Through our area action plans and area</p>	2011-2026	GOL, GLA, private developers, universities, colleges	

		<p>based supplementary planning documents.</p> <p>Through reviewing the impact of the policies every year through our Annual Monitoring Report.</p>			
<p><b>9. Homes for Gypsies and travellers</b></p>	<p>Safeguarding existing gypsies and traveller sites.</p>	<p>Protecting the four existing gypsy and traveller sites through the designation on the proposals map.</p> <p>Through our housing development plan document.</p> <p>Through reviewing the impact of the policies every year through our Annual Monitoring Report.</p>	<p>2011-2026</p>	<p>GOL, GLA, STAG, RSLs, Government, Southwark Council, private developers</p>	

**MONITORING**

Once the Core Strategy has been adopted it will be important to make sure that our policies are meeting their objectives, that targets are being achieved, and that the assumptions behind the policies are still relevant and valid. The monitoring for the housing policies is set out below.

Core Policies	Strategic Objectives	Indicators	Targets
<p><b>Policy 5 Providing new homes</b></p>	<p>Objective 1C: Be healthy and active</p> <p>Objective 2A: Create mixed communities</p> <p>Objective 2C: Provide more and better homes</p> <p>Objectives 2F: Conserve and protect historic and natural places</p> <p>Objective 4A: Provide enough funding for regeneration to positively transform the image of Southwark</p>	<p>National Indicators:</p> <ul style="list-style-type: none"> <li>• H1: Plan period and housing targets</li> <li>• H2(a): Net additional dwellings – in previous years</li> <li>• H2(b): Net additional dwellings – for the reporting years</li> <li>• H2(c): Net additional dwellings – in future years</li> <li>• H2 (d): Managed delivery target</li> <li>• H6: Housing quality – building for life assessments</li> </ul> <p>Sustainability Indicators:</p> <ul style="list-style-type: none"> <li>• SDO15(.1) Amount of homes in the borough</li> <li>• SDO15(.2) % Households living in temporary accommodation</li> <li>• SDO15(.6) Income to average house price ratio</li> </ul> <p>Annual Monitoring Report Indicators:</p> <ul style="list-style-type: none"> <li>• 49: Housing supply                             <ul style="list-style-type: none"> <li>○ 49A: Total new homes gained over the previous 5 years</li> <li>○ 49B: Homes completed in reporting year</li> <li>○ 49C: Additional homes projected to be built between next year and 2016</li> <li>○ 49D: Average number of homes needed each coming year until 2016 to meet housing target</li> </ul> </li> <li>• 50: Density of residential developments within areas</li> <li>• 54A: Amount of households which are unintentionally homeless in priority need (SDO15.5)</li> </ul>	<p>Providing more homes by meeting the London Plan overall housing target and rolling this on to 2026 to meet the target of 24,450 new homes between 2011 and 2026.</p> <p>Meeting the London Plan targets for new homes for the following area:</p> <p>Borough, Bankside and London Bridge Opportunity Area: 1,900</p> <p>Elephant and Castle Opportunity Area: 4,000</p> <p>Canada Water action area core: 2,500</p> <p>New development is within the density ranges set out in the core strategy</p>

		<ul style="list-style-type: none"> <li>• 54B: Amount of households which are in housing need (SDO15.3)</li> <li>• 54C: Amount of households on the housing register (SDO15.4)</li> <li>• New AMR indicator: Homelessness             <ul style="list-style-type: none"> <li>○ Provide a range of options and advice to prevent homelessness</li> <li>○ Nil use of bed and breakfast for homeless 16/17 year olds other than in an emergency (<b>LAA-local target</b>)</li> <li>○ Reduce rough sleeping to as close to zero as possible by 2012</li> </ul> </li> <li>• Halve the number of households in temporary accommodation by December 2010 (<b>LAA target NI 156</b>)             <ul style="list-style-type: none"> <li>○ Work in partnership with housing associations to implement the G15 homelessness offer</li> </ul> </li> </ul>	
<p><b>Policy 6: Homes for people on different incomes</b></p>	<p>Objective 2A: Create mixed communities</p> <p>Objective 2C: Provide more and better homes</p> <p>Objective 4A: Provide enough funding for regeneration to positively transform the image of Southwark</p>	<p>National Target</p> <ul style="list-style-type: none"> <li>• H5: Gross Affordable housing completions</li> </ul> <p>Annual Monitoring Report Indicators:</p> <ul style="list-style-type: none"> <li>• 47: Change in house prices</li> <li>• 53: Amount of completed affordable housing units</li> <li>• 54A: Amount of households which are unintentionally homeless in priority need (SDO15.5)</li> <li>• 54B: Amount of households which are in housing need (SDO15.3)</li> <li>• 54C: Amount of households on the housing register (SDO15.4)</li> <li>• New AMR indicator: Homelessness             <ul style="list-style-type: none"> <li>○ Provide a range of options and advice to prevent homelessness</li> <li>○ Nil use of bed and breakfast for homeless 16/17 year olds other than in an emergency (<b>LAA-local target</b>)</li> </ul> </li> </ul>	<p>Provide more affordable housing by meeting the affordable housing target of 8558 net new affordable homes between 2011 and 2026..</p>



		<ul style="list-style-type: none"> <li>○ Reduce rough sleeping to as close to zero as possible by 2012</li> <li>● Halve the number of households in temporary accommodation by December 2010 (<b>LAA target NI 156</b>)</li> <li>○ Work in partnership with housing associations to implement the G15 homelessness offer</li> </ul>	
<b>Policy 7: Family homes</b>	<p>Objective 2A: Create mixed communities</p> <p>Objective 2C: Provide more and better homes</p>	<p>National Indicator:</p> <ul style="list-style-type: none"> <li>● H6: Housing quality – building for life assessments</li> </ul> <p>Annual Monitoring Report Indicators:</p> <ul style="list-style-type: none"> <li>● 51A: Amount of new dwellings which are: studios, 1 bedroom, 2 bedrooms, 3 bedroom, 4 or more bedrooms</li> <li>● 51B: Size of new dwellings by tenure</li> <li>● 52: Amount of dwellings approved that meet lifetime homes standards and are wheelchair accessible</li> <li>● 7: amount of affordable housing units funding gained from S106 for affordable housing</li> </ul>	<ul style="list-style-type: none"> <li>● Provide more family housing by achieving the mix set out in policy 7. <ul style="list-style-type: none"> <li>○ 60% 2 bedroom or more</li> <li>○ 30% as 3, 4, 5 or more bedrooms</li> <li>○ !0% as 3, 4, 5 or more bedrooms in the Elephant and Castle Opportunity Areas</li> <li>○ Maximum of 5% studio</li> </ul> </li> <li>● Meet the minimum gross internal areas for units</li> </ul>
<b>Policy 8: Student homes</b>	<p>Objective 1B: Achieve educational potential</p> <p>Objective 2A: Create mixed communities</p> <p>Objective 2C: Provide more and better homes</p>	<p>Annual Monitoring Report Indicators:</p> <p>Number? Percentage and number of student accommodation located in town centres and areas with good public transport accessibility.</p>	<p>Locating student housing in town centres and areas with good public transport accessibility.</p>
<b>Policy 9 Gypsies and Travellers</b>	<p>Objective 2A: Create mixed communities</p> <p>Objective 2C: Provide more and better homes</p>	<p>National Target:</p> <p>H4: Net housing pitches (gypsy and traveller)</p> <p>Annual Monitoring Report Indicators:</p> <p>Number? amount of new pitches created for Gypsies</p>	<p>Safeguarding existing gypsies and traveller pitches.</p>

		and Travellers	
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D – Southwark Plan policies to be kept

There are a number of policies in the Southwark Plan that are up-to-date and will continue to be consistent with the new Core Strategy policies and objectives, as well as the London Plan and national policies. For example we are not changing our approach to designing out crime (Southwark Plan policy 3.14) or urban design (Southwark Plan policy 3.13). This means that we will continue using these policies once the Core Strategy has been adopted.

There are some Southwark Plan policies which can be kept, but which will apply to a revised area. For example we are not changing our approach to conservation areas or archaeology (Southwark Plan policies 3.16 and 3.19). However the areas which the policies will apply to will be revised on the Core Strategy proposals map.

**Table 1: Relationship between the Core Strategy and regional and local planning policies**

**Key**

The policy will be kept (“saved”) as is it is consistent with the Core Strategy and up-to-date.
The policy will become out-of-date with the adoption of the Core Strategy. A new development management policy will be prepared to complement the Core Strategy policy.
The policy will be replaced or is made redundant by the new Core Strategy policy.

<b>Policy 5 – Providing new homes</b>	3A.1 Increasing London’s supply of housing	SP20 Development site uses**
	3A.2 Borough housing targets	Policy 3.11 Efficient use of land
	3A.3 Maximising the potential of sites	Policy 4.1 Density of residential development
	3A.6 Quality of new housing provision	Policy 4.2 Quality of residential accommodation
<b>Policy 6 – Homes for people on different incomes</b>	3A.8 Definition of affordable housing	Policy 4.4 Affordable housing
	3A.9 Affordable housing targets	
	3A.10 Negotiating affordable housing in individual private residential and mixed-use schemes	
	3A.11 Affordable housing thresholds	
	3A.15 Loss of housing and affordable housing	
<b>Policy 7 – Family homes</b>	3A.5 Improving housing choice	Policy 4.3 Mix of dwellings
		Policy 4.5 Wheelchair affordable housing
<b>Policy 8 – Student homes</b>	3A.25 Higher and further education	Policy 4.7 Non-self contained housing for identified user groups
<b>Policy 9 – Homes for gypsies and travellers</b>	3A.14 London’s gypsies and travellers	Policy 4.8 Travellers and gypsies

122	<del>SP 20 DEVELOPMENT SITE USES</del>
123	<del>The “uses required” within the Proposals Map Schedule (Appendix 4) must be included within any development on sites designated on the proposals map. Planning permission may be granted for “other acceptable uses” within this schedule provided that development for the ‘uses required’ is, has been, or is thereby, secured. A temporary planning permission may be granted to allow good use to be made of a vacant site prior to the commencement of a permanent scheme.</del>
124	<del>Development sites have been designated on the Proposals Map to meet the strategic objectives of this plan. Appendix 3 contains a Schedule of all designated Proposal Sites.</del>
618	Policy 3.11 - Efficient Use Of Land
619	All developments should ensure that they maximise the efficient use of land, whilst:
620	Protecting the amenity of neighbouring occupiers or users; and
621	Ensuring a satisfactory standard of accommodation and amenity for future occupiers of the site; and
622	Positively responding to the local context and complying with all policies relating to design; and
623	Ensuring that the proposal does not unreasonably compromise the development potential of, or legitimate activities on, neighbouring sites; and
624	Making adequate provision for servicing, circulation and access to, from and through the site; and
625	Ensuring that the scale of development is appropriate to the availability of public transport and other infrastructure.
626	The LPA will not grant permission for development that is considered to be an unjustified underdevelopment or over development of a site.
627	Reasons Urban land is an important resource, which must be efficiently used to reduce pressure on rural land and open spaces. Increasing density, especially in Central London and around transport nodes, is a key requirement for the sustainable use of land. By increasing the number of people who visit, work in and live in an area, more services and facilities can be supported thereby reducing the need to travel and contributing to the vitality of an area. However, densities that are too high have a negative impact on the environment and on quality of life and are therefore a poor use of land.
848	Section 4 Housing
849	<b>Creating Choice and Quality in Housing</b>
850	<b>VISION</b>
851	<del>SOUTHWARK AS A PLACE WITH A DIVERSE HOUSING MIX THAT EXEMPLIFIES HIGH QUALITY DESIGN AND ACCESSIBILITY FOR EXISTING AND INCOMING RESIDENTS.</del>
852	<b>STRATEGIC POLICIES FROM PART ONE</b>
853	<b>SP 14 SUSTAINABLE BUILDINGS</b>
854	<del>ALL DEVELOPMENTS SHOULD PROMOTE THE EFFICIENT USE OF LAND, AND BE OF HIGH QUALITY AND WHERE APPROPRIATE, INCLUDE A MIX OF USES;</del>
855	<b>SP 17 HOUSING</b>

- 856 ~~ALL DEVELOPMENTS SHOULD WHERE APPROPRIATE PROVIDE MORE HIGH QUALITY HOUSING OF ALL KINDS, PARTICULARLY AFFORDABLE HOUSING; AND~~
- 857 **SP14 SUSTAINABLE BUILDINGS**
- 858 ~~ALL DEVELOPMENTS SHOULD PROMOTE THE EFFICIENT USE OF LAND, AND BE OF HIGH QUALITY AND WHERE APPROPRIATE, INCLUDE A MIX OF USES.~~
- 859 **Background**
- 860 ~~The Mayor has set a target in the **London Plan** for the provision of 29,530 additional residential units in Southwark during the 20 years up to 2016. That implies 1480 or so annual completions. In doing so, it will be necessary to make the most of **development** opportunities and to find innovative solutions to provide high quality living **environments** while increasing the intensity of **development**. Housing opportunities will also include mixed use **developments** that enable people to live nearer to their place of work and local services and reduce the need to travel.~~
- 861 ~~Southwark's location in inner London, combined with a predicted increase in its population, presents an opportunity to provide more housing and a range of housing choices to address housing need and establish a balanced and integrated community.~~
- 862 **Policy 4.1 – Density of Residential Development**
- 863 ~~Residential density will be expected to comply with the following ranges, taking into account the quantity and impact of any non-residential uses:~~
- ~~i. **Central Activity Zone** – 650 to 1100 habitable rooms/hectare;~~
- ~~ii. **Urban Zone** – 300 to 700 hr/h;~~
- ~~iii. **Suburban Zone** – 200 to 350 hr/h; and~~
- ~~iv. **Public Transport Accessibility Zones** (*Canada Water, Walworth Corridor, Bermondsey Spa and Peckham*) – may exceed 700 hr/h if the **development** provides; an exemplary standard of design, with an excellent standard of living accommodation; and a significant contribution to environmental improvements in the area particularly relating to public transport/cycle/pedestrian movement, safety and security and **public realm** improvements.~~
- Appendix 2** sets out further details on Residential Density Standards.
- 864 **Reasons**
- ~~Efficient use of land will facilitate a continuous supply of housing and assist in overcoming the shortage of housing in London, meeting the strategic housing targets in the **London Plan** and meeting housing need as identified in the Council's Housing Needs Survey. However, this housing must be of high quality to make the borough a pleasant and healthy place to live. The need for housing must also be balanced against the need for other uses which also contribute to quality of life.~~
- 865 ~~In **mixed use** schemes, measures of residential density will need to take into account other uses in order to assess the overall efficient use of land and the impact of the building on other relevant factors such as **amenity**.~~
- 866 **Policy 4.2 - Quality of Residential Accommodation**
- 867 Planning permission will be granted for residential **development**, including dwellings within mixed-use schemes, provided that they:
- 868 i. Achieve good quality living conditions; and
- 869 ii. Include high standards of:
- 870 • Accessibility, including meeting relevant **Lifetime Homes** standards;

- 871           • Privacy and outlook;
- 872           • Natural daylight and sunlight;
- 873           • Ventilation;
- 874           • Space including suitable outdoor/green space;
- 875           • Safety and security; and
- 876           • Protection from pollution, including noise and light pollution.
- 877           **Reasons**
- 878           Good quality housing is necessary to provide for the accommodation needs of the borough, while also meeting the health, safety, quality of life and **amenity** needs of current and future residents.
- 879           **SP 14 HOUSING**
- 880           ~~ALL DEVELOPMENTS SHOULD WHERE APPROPRIATE PROVIDE MORE HIGH QUALITY HOUSING OF ALL KINDS, PARTICULARLY AFFORDABLE HOUSING.~~
- 881           **Background**
- 882           ~~There is a need to provide opportunities for new housing in Southwark to meet the targets set by the London Plan. A range of housing types is needed to house all sectors of the community, including larger households, the mobility impaired and those needing affordable housing. This will support the objectives of the Council's Housing Strategy to regenerate and improve housing across all tenures and to meet housing needs and promote affordable housing choices in Southwark.~~
- 883           ~~The failure to secure adequate new social housing leads to social exclusion and homelessness and has serious negative impacts on health. Additionally, there is an increasing need for intermediate housing in London as a result of a dramatic rise in residential property prices in recent years. This reduces quality of life, places undue pressure on the transport network and compromises the financial competitiveness of London as a whole and the local economy.~~
- 884           ~~The most up-to-date Housing Needs Survey identifies larger housing units and wheelchair accessible units as the greatest housing need within Southwark.~~
- 885           **Policy 4.3 – Mix Of Dwellings**
- 886           ~~All major residential new build development and conversions should provide a mix of dwelling sizes and types to cater for the range of housing needs of the area.~~
- 887           ~~This will include the following:~~
- 888           i. ~~———— The majority of units should have two or more bedrooms, and developments of 15 or more dwellings will be expected to provide at least 10% of the units with three or more bedrooms with direct access to private outdoor space; and~~
- 889           ii. ~~———— The number of studio flats must not exceed 5% of the total number of dwelling units within a development. Studio flats are not suitable for meeting affordable housing need; and~~
- 890           iii.       At least 10% of all major new residential developments should be suitable for wheelchair users, except where this is not possible due to the physical constraints of the site.
- 891           ~~Permission will not be granted for the conversion of a single dwelling house of 130 square metres or less original net internal floorspace into 2 or more dwelling units.~~

**Reasons**

892 There is a need to ensure that a range of dwelling sizes and types are  
 893 provided to help meet housing need within Southwark, as identified in the  
 894 Housing Needs Survey. The LPA will require a mix of dwellings,  
 particularly those capable of accommodating families multi-adult  
 households incorporating BME needs. Also to address the chronic  
 shortage of housing which is suitable for those with disabilities or mobility  
 impairment. A mix of dwelling sizes and types promotes mixed and  
 balanced communities and improves **accessibility** for all.

**Policy 4.4 – Affordable Housing**

894 The LPA will endeavour to secure 50% of all new dwellings provided in  
 Southwark as affordable in accordance with the **London Plan**. As part of  
 private development, the LPA will seek to secure the following provision  
 of **affordable housing**:

- 895 i. Within the Urban and Suburban Density Zones and within the  
 Elephant and Castle **Opportunity Area**, at least 35% of all  
 new housing as **affordable housing**, for all **developments**  
 capable of providing 15 or more additional dwelling units or on  
 sites larger than 0.5 hectare, except in accordance with **Policy**  
**4.5**; and
- 896 ii. Within the Central Activities Zone excluding the Elephant and  
 Castle **Action Area**, at least 40% of all new housing as  
**affordable housing**, for all **developments** capable of  
 providing 15 or more additional dwelling units or on sites  
 larger than 0.5 hectare, except in accordance with **Policy 4.5**;
- 897 iii. For all schemes capable of providing 10, 11, 12, 13 and 14  
 dwellings, on site provision or, a payment in lieu contribution  
 towards **affordable housing** calculated by the proportions  
 outlined in **Table 4.4** or, a payment in lieu contribution towards  
**affordable housing**;

898	No. of Units	10	11	12	13	14
	Proportion of affordable units	1	2	3	4	5

25%

899 **Table 4.4 Affordable Housing Requirements for 10 to 14 Unit  
 Developments**

- 900 iv. The **affordable housing** provided must be an appropriate mix  
 of dwelling type and size to meet the identified needs of the  
 borough,
- v. The **affordable housing** should not be distinguishable from  
 the private housing **development**; and
- vi. A tenure mix of 70:30 **social rented: intermediate housing**  
 ratio except as stated below for **opportunity and local policy**  
**areas**:

901	Area Designation	Social Rented (%)	Intermediate (%)
	Central Activities Zone	70	30
	Urban Zone	70	30
	Suburban North and South Zones	70	30
	Elephant and Castle <b>Opportunity Area</b>	50	50
	Peckham <b>Action Area</b>	30	70
	Old Kent Road <b>Action Area</b>	50	50
	West Camberwell <b>Action Area</b>	50	50
	Camberwell Neighbourhood Area	50	50

902	Table 4.5: Tenure Mix for <b>Affordable Housing</b>
903	Applicants will also be encouraged to contribute to the provision of <b>affordable housing</b> as part of all new <b>development</b> , and at higher levels than those referred to above.
904	<p><b>Reasons</b></p> <p>A continuous supply of <b>affordable housing</b> is required to meet the needs of the borough. The most up-to-date Housing Needs Survey demonstrates that there is an annual shortfall of about 1,900 affordable homes every year. This is a significant and serious shortfall that must be addressed. The council intends to address this need in two ways.</p>
905	<p>Firstly, the LPA will seek to secure <b>affordable housing</b> as part of private residential <b>development</b>. This should be the maximum level of <b>affordable housing</b> and the maximum number of sites. Secondly, The council will carry out its own <b>affordable housing developments</b> and encourage and support <b>affordable housing developments</b> by housing associations. These <b>developments</b> will be funded by public subsidy, and therefore public subsidy will not normally be available for private developers. This ensures the most effective distribution of public subsidy. This will make up the shortfall between the levels of <b>affordable housing</b> and the 50% <b>affordable housing</b> target.</p>
906	The private sector plays an important role in integrating new <b>affordable housing</b> into all areas and creating mixed and balanced communities. It also encourages sustainable patterns of transport use by allowing more people to live closer to their work and the services and facilities they need.
907	All new <b>affordable housing</b> will be expected to provide for the identified range of housing need, with particular regard given to providing housing suitable for larger <b>households</b> and those with mobility difficulties.
908	<p><b>Policy 4.5 - Wheelchair Affordable Housing</b></p> <p>For every <b>affordable housing</b> unit which complies with the wheelchair design standards, one less affordable <b>habitable room</b> will be required than otherwise stated in <b>Policy 4.4</b>.</p>
909	<p><b>Reason</b></p> <p>There is a chronic shortage of affordable dwellings suitable for people in wheelchairs. Therefore the loss of one <b>habitable room</b> overall is desirable to encourage the provision of these units and offset their additional floorspace requirements.</p>
910	<b>Policy 4.6 - Loss of Residential Accommodation</b>
911	<b>Development</b> will not be permitted where it results in a net loss of residential floorspace, except where:
912	i. The <b>environment</b> is unsuitable for housing or the existing standard of accommodation is unsatisfactory, and where improvements to overcome these problems are not possible; or
913	ii. The residential accommodation is on a site which is designated for a different use in preference to housing; or
914	iii. The replacement of the existing residential floorspace would otherwise contravene one or more of the criteria i to vi in <b>Policy 3.10 Efficient Use of Land</b> and exceeds the densities in <b>Appendix 3</b> .
915	<b>Development</b> will not be permitted where there is a net loss of wheelchair accessible housing. Any replacement wheelchair accessible housing, will be required to comply with the current wheelchair design statements.



- 916 **Reasons**  
The Housing Needs Survey shows that there is a significant need for housing within Southwark which is reflected in the challenging targets set for the provision of new housing units. In order to maximise the amount of housing within Southwark, existing housing stock must be protected.
- 917 However, there are some circumstances where the loss of housing might be acceptable, either because the standard of accommodation is poor, or because a reduction in the net residential floorspace would have wider benefits to the community.
- 918 **Policy 4.7 - Non Self- Contained Housing for Identified User Groups**  
919 Appropriate new **development** or changes of use which provide **non self-contained residential accommodation** will normally be permitted where:
- 920 i. The need for, and suitability of, the accommodation can be demonstrated by the applicant;
- 921 ii. Its provision does not result in a significant loss of **amenity** to neighbouring occupiers;
- 922 iii. There is adequate infrastructure in the area to support any increase in residents; and
- 923 iv. The **development** provides a satisfactory standard of accommodation, including shared facilities. Provision must be made within the **development** for adequate amenities and facilities to support the specific needs of the occupiers, including staffing, servicing and management arrangements, with particular consideration given to the specific needs of children.
- 924 **Reasons**  
Houses and flats are unsuitable for some groups within the community, and accommodation must be provided to meet the specific needs of these groups.
- 925 **Non self-contained accommodation** might include hostels, **houses in multiple occupation, 'cluster flats'**, or residential institutions such as a care home. It may include facilities that provide care or support for occupiers such as the elderly, or accommodate specific groups on a temporary basis such as students, nurses and NHS workers, homeless people and asylum seekers. The LPA must seek to house all sectors of the community, and therefore provision must be made for alternative accommodation arrangements.
- 926 It is noted, however, that **non self-contained housing** is unsuitable for general needs housing, and should only be developed for those whose needs can't be met by the provision of self-contained accommodation.
- 927 ~~**4.8 Travellers and Gypsy Sites**~~  
928 ~~Planning permission will be granted for improvements to established Traveller and Gypsy sites provided that the scheme would not cause harm to the living conditions of neighbouring occupiers.~~
- 929 **Reasons**  
MOD F29  
~~There are a number of established permanent sites in the borough for travellers and gypsies at Burnhill Close, SE15, Springtide Close, SE15, Brideale Close, SE15 and Ilderton Rd, SE16. The LPA will keep their needs under regular review in order to comply with Circular 1/94 and any other relevant legislation or policy guidance.~~

<b>Item No.</b>	<b>Classification:</b> Open	<b>Date:</b> October 14 2009	<b>Meeting Name:</b> Executive
<b>Report title:</b>		Southwark Housing Strategy 2009– 2016	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Strategic Director of Regeneration and Neighbourhoods	

## RECOMMENDATIONS

That the Executive:

1. Agrees the new Southwark Housing Strategy 2009 to 2016 (Appendix A).
2. Notes the development of an interactive housing supply and demand model.
3. Notes the partnership arrangements set up between the borough and the Homes and Communities Agency as set out at paragraph 21 and in the Memorandum of Understanding at Appendix B.

## BACKGROUND

4. The Housing Strategy sets out our strategic approach to housing, describing the key housing issues in the borough and the council's priorities for tackling these over the life of the strategy. It covers housing across all tenures (public and private sector housing), with a particular focus on housing demand and supply, housing conditions and how housing and housing services can contribute to meeting wider strategic priorities, such as improving health, tackling poverty and creating safer and stronger communities.
5. This Housing Strategy will replace the current five-year (2005 to 2010) Housing Strategy. That strategy was agreed by Council Assembly July 20 2005.
6. The executive meeting on the October 16 2007 agreed the approach for reviewing Southwark's Housing Strategy. This included plans for a two stage consultation process. The first stage of consultation was finding out what residents' and other stakeholders' key concerns were, and what they thought we (the council and its partners) should do to respond. This stage ran from July 2008 to the end of October 2008 (see paragraph 14 for further details). The stage 2 consultation process, which included a consultation document, was approved by the executive February 10 2009.
7. The timescale for the Housing Strategy is 2009 to 2016 is to bring it into line with that of the Sustainable Communities Strategy, 2016. However the Housing Strategy action plan will be reviewed at intervals throughout this time to respond to any significant changes in Southwark, and in regional and national policy as required.
8. This Housing Strategy is a partnership strategy and has been developed under the auspices of the new Southwark Housing Strategic Partnership (SHSP), a sub-group of Southwark Alliance.

9. There is some overlap in the objective 2 of increasing the supply of housing, and the housing policies in the council's Local Development Framework. The consultations for both strategies were aligned and responses were shared. The Housing Strategy consultation document and the proposals for the Core Strategy preferred options document were jointly reviewed by the Overview and Scrutiny Panel in May 2009. The Core Strategy development is still underway. The Core Strategy is at the preferred options stage and will be submitted to the Planning Inspector for approval shortly. Therefore it is possible minor changes affecting the Housing Strategy may be made, therefore we have stated that the targets on new housing in the Core Strategy take precedence over the targets in the Housing Strategy.
10. Until recently there was a set criterion for housing strategies called "Fit for Purpose". Local authorities had to submit strategies to the Government Office for London. This requirement no longer exists and boroughs are free to develop strategies more appropriate to their needs. However, the strategy will need to be in general conformity with the Mayor's London Housing Strategy when this is published in late 2009. The GLA will declare whether borough's strategies are in general conformity. Therefore our strategy needs to be in line with the general thrust of the London strategy and not contain or leave out objectives which would result in significant harm to the London Housing Strategy objectives. The Southwark Housing Strategy has taken account of the objectives in the Mayor's draft London Housing Strategy. If there is considerable change in the final London Housing Strategy or the London Plan the Housing Strategy may need to be updated.
11. Since executive October 16 2007 agreed the broad plans for developing a new housing strategy the timetable has changed slightly. The revised timetable is below.

Date	Event
October 16 2007	Executive agreed broad plans for developing a new strategy
November 3 2009	Overview and Scrutiny on plans for consultation
February 10 2009	Executive sign off housing strategy consultation document
April 20 2009	Overview and Scrutiny on synergies between the Core Strategy and Housing Strategy
April 30 2009	Stage 2 consultation closed
June 9 2009	SHSP meeting to discuss results of consultation and draft of new strategy
June 10 2009	Southwark Alliance meeting to discuss draft of Housing Strategy
September 15 2009	Corporate Management Team
September 22 2009	Equalities Impact Assessment (EQIA)
October 14 2009	Executive Meeting to sign off new strategy
Autumn 2009	Publish Strategy
Autumn 2009	Publish feedback document + EqIA
November/December 2009	SHSP event to publicly launch strategy

#### KEY ISSUES FOR CONSIDERATION

12. The draft Housing Strategy 2009 to 2016 is attached as Appendix A. A summary of the strategy will be produced. We will also be releasing a report on the consultation responses which will include a response to the comments. Where lengthy comments were made these will be summarised as some responses were over 20 pages long. The Housing Strategy will be professionally designed and printed. It will also be

published on the Southwark website. It is our intention to hold an event in late 2009 to launch the Strategy.

13. The objectives and priorities of the Housing Strategy 2009 to 2016 are the same as in the consultation document as agreed with executive. However, following consultation we have suggested making two of the existing priorities **key** priorities. These are “Enhance social rented housing options” and “Ensure the right type of housing for an ageing population, supporting independent living.” We have also updated the text under these priorities taking account of the comments received.

<b>Objectives</b>	<b>Priorities (key priorities in bold)</b>
<b>1. Improve the quality of existing housing and use it more efficiently</b>	
	<b>Bring council homes up to the Southwark decent homes standard</b>
	<b>Use existing assets better to meet changing needs</b>
	<b>Bring empty homes back into use</b>
	<b>Improve the energy efficiency of homes in all tenures</b>
	Improve and maintain the quality of private housing
	Improve housing management
<b>2. Increase the supply of good quality housing</b>	
	Increase opportunities for housing development
	<b>Increase the supply, particularly of family sized homes</b>
	Ensure new housing is of the right type and quality
	Ensure a supply of new affordable housing to meet a range of needs
<b>3. Enable choice while meeting housing needs</b>	
	<b>Enable options for private renting in a high quality private rented sector</b>
	<b>Provide options to sustain home ownership</b>
	Provide options to access home ownership
	<b>Enhance social rented housing options new as key priority</b>
	<b>Ensure the right type of housing for an ageing population, supporting independent living – new as key priority</b>
	Provide support for young people to live independently
	Provide for special housing, supporting independent living
	<b>Improve life chances by contributing to preventing and tackling worklessness</b>
	Improve life chance by contributing to improving the education and skills of residents
	Improve life chances by contributing to tackling poverty
	Improving life chances by contributing to improving the health of residents
<b>4. Prevent homelessness and reduce the use of temporary accommodation</b>	
	<b>Maximise opportunities for homeless prevention</b>
	<b>Reduce the use of temporary accommodation</b>

### **The Consultation**

14. As explained in paragraph 6, there was a two stage consultation process on the Housing Strategy. In summary, we have consulted: individual members of the SHSP, councillors, Southwark Alliance and the thematic partnerships of the LSP, SOUHAG (Southwark Housing Association Group), community councils, tenant and leaseholder groups, private residents, the homelessness forum, supporting people forums, equalities forums, advice forums, the carers forum, council staff, and PCT. We also advertised the consultation in various forms of media and took the

consultation out to shopping centres around the borough. Specific consultation events were arranged with some communities. The consultation responses helped to shape the final version of the strategy. Some of the main comments from consultation were:

- Concern over there being insufficient emphasis on affordable housing in the objective rather than overall supply
- Concerns over the impact of major regeneration schemes on the supply of lettings
- Need for larger rooms in new developments
- A need for larger intermediate housing
- A need for more family housing generally
- Concern about an over-reliance on the private rented sector
- Some concerns over selling council properties to bridge the investment gap
- Issues over clarity of benefit entitlements and worklessness
- Need more support for young people to set up and sustain tenancies under local housing allowance.

15. These comments were gathered through the 2 consultation exercises. The first ran from September to November 2008 and sought responses on what the 5 biggest housing issues were. We used these comments to formulate the objectives and priorities in the strategy. Comments that were similar were grouped together. There was an excellent response to the consultation and some of the more frequent comments included:

- “Improve the amount of affordable housing”.
- “Improve the quality of all homes”
- “Build more family sized properties”.

We developed these comments to form our first 2 objectives:

- 1- Improve the quality of existing housing and use it more efficiently.
- 2- Increase the supply of good quality housing.

16. Having formulated the objectives and priorities we produced a draft strategy consultation document and asked residents, partners and stakeholders to make comments. This consultation exercise lasted from February to April 2009. The responses from this allowed us to add greater emphasis to some areas of the strategy. For example, we included a fuller explanation of what fuel poverty is and added how we will tackle it by targeting grant schemes at older and vulnerable households. The Housing Strategy feedback report will show how we used the comments we received during consultation. It will also thank those who commented for their contribution. The feedback document will be launched shortly after the strategy is signed off and we hope it will help to manage expectations of residents, explaining which suggestions we were able to take forward and which ones we could not. CAA and KLOE guidelines recommend that local authorities give feedback to residents, partners and stakeholders following consultation.

### **Housing Supply and Demand**

17. The Housing Strategy identifies a number of challenges for the borough and its partners. Southwark has one of the most ambitious regeneration programmes in the country. Realising these plans will significantly improve the quality of the physical

environment, creating the conditions necessary to stimulate investment, re-invigorate the local economy and promote sustainable long-term regeneration. Much of the new housing in the borough will also be provided in regeneration areas and we want it to be of the highest standard, with a good mix of sizes, types and tenures. However our existing housing stock requires substantial investment, and we also have very high levels of housing need, e.g. overcrowding. The strategy recognises that we have to make choices, and in order to inform our decision-making we have developed an interactive housing supply and demand model.

18. The housing supply and demand model has been developed by a cross-departmental project team. The model covers the period 2009-2030 and it includes data on:
  - New affordable housing supply, both intermediate and social housing, including new RSL developments and Section 106 agreements
  - Projected relets of both council and RSL housing (based on historic lettings data)
  - Demand from residents being relocated as a result of regeneration schemes, based on the phasing of schemes
  - Demand from other priority housing applicants.
  
19. The model will be used to:
  - Forecast new affordable housing completions and monitor against the Mayor's and London plan targets for new affordable housing.
  - Compare the overall supply (both relets and new provision) with demand for affordable housing, and project trends.
  - Inform phasing and re-provision planning for current, future and potential regeneration and major works schemes, by allowing for scenario modelling.
  - Quantify the anticipated supply of social housing lettings across the borough, and the impact on the Homeseach lettings scheme and on priority housing needs in addition to those moving due to regeneration schemes
  - Inform policy on new housing provision in terms of development timing, unit mix and funding, both on Southwark's own sites and on private sites.
  - Provide a framework for the 'single conversation' with the Homes and Communities Agency (HCA)
  - Coordinate with the Strategic Housing Land Availability Assessment (SHLAA) site identification process.
  
20. The model will be updated quarterly and an annual report produced, reviewing actual results against projections and adjusting future years' projections accordingly.
  
21. As work on the model has progressed, there has also been an operational focus on securing and increasing the supply of affordable housing in a difficult economic environment. This has resulted in the following 3 initiatives:
  - a. We have established a strategic partnership with the HCA in order to jointly achieve delivery of significant volumes of affordable housing in the Borough which may otherwise not have happened given the economic conditions. This partnership is implemented through a high level programme board chaired by the HCA's London Regional Director. Day to day programme management is provided by a jointly appointed programme manager. Southwark is one of only

a small number of London Boroughs to be singled out by the HCA as meriting special partnership arrangements and this is largely due to the extent of the opportunity in Southwark in terms of the borough's own housing sites and the regional significance of its major regeneration schemes (in particular, the Aylesbury estate and the Elephant and Castle). The full extent of the partnership with the HCA is described and formalised in a Memorandum of Understanding at Appendix B;

- b. On the basis of our partnership with the HCA, a joint delivery programme of affordable housing for the Borough has been developed (which is derived from the housing supply and demand model).
- c. An internal Housing Regeneration Board has been established which brings together all key teams on a fortnightly basis to oversee and implement the delivery of the programme.

### **Community Impact Statement**

- 22. The Housing Strategy sets overarching priorities for housing in the borough and as such has the potential to impact on all residents in the borough and on future residents. The strategy is a key driver in delivering essential services to excluded/under-represented communities and addressing deprivation. An equalities impact assessment (EqIA) scoping paper was produced which helped shape the consultation process. The finalised EqIA will go to the EQIA panel on October 22 2009.

### **Resource Implications**

- 23. There are no specific financial implications arising from the report at this time. Section 3 of the Southwark Housing Strategy sets out the anticipated resources available to the Council to deliver the requirements outlined in the strategy, based on known and best information at this time. This will be systematically reviewed and updated in light of movements in resources and needs over the period. The financial implications arising from any particular scheme or policy change will be addressed as part of any specific proposal.

### **Legal Implications**

- 24. The advice from Legal Services is that there are no legal implications arising from this report.

**BACKGROUND PAPERS**

Background Papers	Held At	Contact
<ul style="list-style-type: none"> <li>• <i>Southwark Housing Strategic Partnership agendas and minutes, The Housing Strategy consultation document</i></li> <li>• <i>The Core Strategy Preferred Options Report</i></li> <li>• <i>The Southwark 2016 Sustainable Communities Strategy</i></li> <li>• <i>The Equalities Impact Assessment of the Housing Strategy (going to EQIA panel available after 22 September)</i></li> </ul>	<i>Housing Regeneration Initiatives Strategy &amp; Policy Team, Tooley Street</i>	<i>Robert Weallans x51217</i>

**APPENDICES**

Appendix	Title
Appendix A	Housing Strategy 2009 to 2016 Providing more and better homes
Appendix B	Memorandum of Understanding

**Audit Trail**

<b>Lead Officer</b>	Richard Rawes, Strategic Director of Regeneration and Neighbourhoods	
<b>Report Author</b>	Claire Linnane, Policy & Performance Manager	
<b>Version</b>	final	
<b>Dated</b>	September 28 2009	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director for Communities, Law and Governance	Yes	Yes
Departmental Finance Manager	Yes	Yes
<b>Date final report sent to Constitutional/Community Council/Scrutiny Team</b>		5.10.09





## Southwark Housing Strategy 2009 to 2016

Providing more and better homes

Executive – 14th October

[www.southwark.gov.uk](http://www.southwark.gov.uk)



## Welcome

John Schofield

Chair of the Southwark Housing Strategic Partnership  
and Director, Family Mosaic



Councillor Kim Humphreys

Executive Member for Housing



Welcome to Southwark's new Housing Strategy.

This is the first Housing Strategy produced by the new Southwark Housing Strategic Partnership, a multi-agency group which includes representatives from housing associations, private landlords, the Council, tenants and homeowners. Details of the full membership of the group are attached at Appendix 1. The partnership is a sub-group of the local strategic partnership, Southwark Alliance. The strategy reflects all housing tenures in the borough.

Our vision is to: ***'To improve residents' lives by providing high quality homes and housing services that promote successful and inclusive communities'***

Southwark is a borough of opportunities and we will work towards building the mixed and sustainable communities that can fully exploit these opportunities. We are helping to change and shape the London landscape and we have an ambitious regeneration programme which will help unlock the potential of our local communities.

We want to create and support the diverse mix of housing tenures that a sustainable community requires to meet the aspirations of our residents. We also recognise the vital contribution of housing to other strategic priorities, such as improving the health of the borough by tackling overcrowding, providing accessible homes and meeting the needs of an ageing society.

Southwark Council is the largest social landlord in London and there are also a large number of housing association rented properties in the borough. 45% of properties are social rented. The private and housing association sectors are continuing to grow.

The Southwark Housing Strategic Partnership is committed to finding the investment required to improve the condition of all of our homes, not just those in social ownership, and to achieve this we will continue to work with private sector partners and sub-regional, London and national agencies.

We have well developed partnerships which continue to make a tangible difference to the lives of our residents in all three of the Sustainable Communities Strategy, Southwark 2016 objectives:

- Improving life chances
- A better place for people
- Delivering quality services.

Given the crucial role that housing plays in residents' lives, these objectives pose a clear challenge to the Housing Strategy 2009–2016 and we have responded to it.

We cannot possibly do everything we would like to, so we have to make choices. This Housing Strategy is therefore about clear priorities and realistic outcomes over a seven year period that will deliver costed and funded solutions for the people of Southwark.

We would like to thank everybody who has contributed to the development of the Housing Strategy.

John Schofield

Cllr Kim Humphreys

*Signature*

*Signature*

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## 1.0 Introduction

Southwark's Housing Strategy 2009 to 2016, Providing more and better homes, sets out the strategic objectives and priorities for housing and housing-related services across all tenures. It explains how the Council and its key partners aim to respond to the housing issues facing us over the next seven years. It covers how we intend to work towards the '*more and better homes*' objective contained in '*the Sustainable Communities Strategy, Southwark 2016*'. The strategy sets out our plans for promoting new housing, improving the quality and management of existing housing, addressing the housing needs of the borough, preventing homelessness and eliminating rough sleeping.

The Housing Strategy 2009 to 2016 has been developed through a rigorous and inclusive consultation process which started in summer 2008 and which has encompassed twelve months of consultation with a range of stakeholders and partner agencies. It takes into account:

- An evidence base including the private sector house condition survey 2008 (PSHCS), the council's stock condition survey 2009, the Southwark Housing Requirements Study 2008 (SHRS), the sub-regional Strategic Housing Market Assessment and other Southwark Council internal housing data.
- Government strategy and policy including the housing green paper (July 2007), "Homes for the future: more affordable more sustainable", the Housing Regeneration Act 2008; "No one left out: Communities ending rough sleeping"
- London strategy and policy including the Mayor's draft London Housing Strategy (which will be finalised towards the end of 2009), the London Plan, and the new draft London Plan.
- Sub-regional strategy and policy as set out in the South East London Housing Strategy. The Southwark Housing Strategy will in turn influence the next South East London Housing Strategy.

The Housing Strategy 2009 - 2016 links to a number of other Council strategies and partnerships (as shown in table 1 below) including:-

- The Sustainable Communities Strategy, Southwark 2016
- The Local Development Framework, particularly the Core Strategy
- Thematic Partnerships from Southwark Alliance<sup>1</sup>

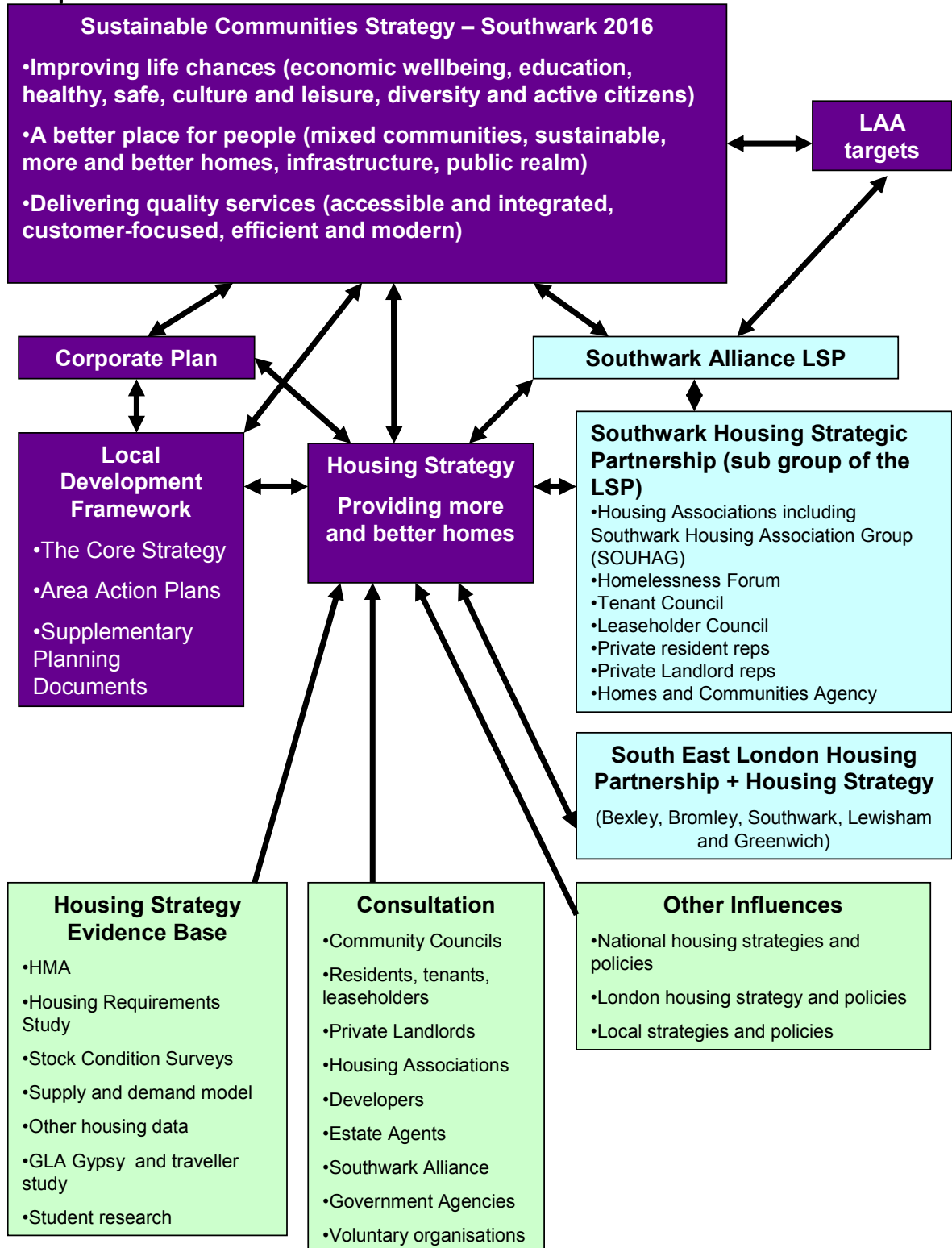
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<sup>1</sup> Southwark Alliance is Southwark's local strategic partnership made up of agencies and individuals, who are responsible for improving the borough.

- Supporting People Strategy.

This is an overarching document setting out the strategic direction of housing for the next seven years. Further documents will be produced over the lifetime of the strategy giving more detail on specific topics, for example developing a more detailed strategic approach to private sector housing.

**Figure 1: Links between the Housing Strategy and other key strategies, policies and plans**



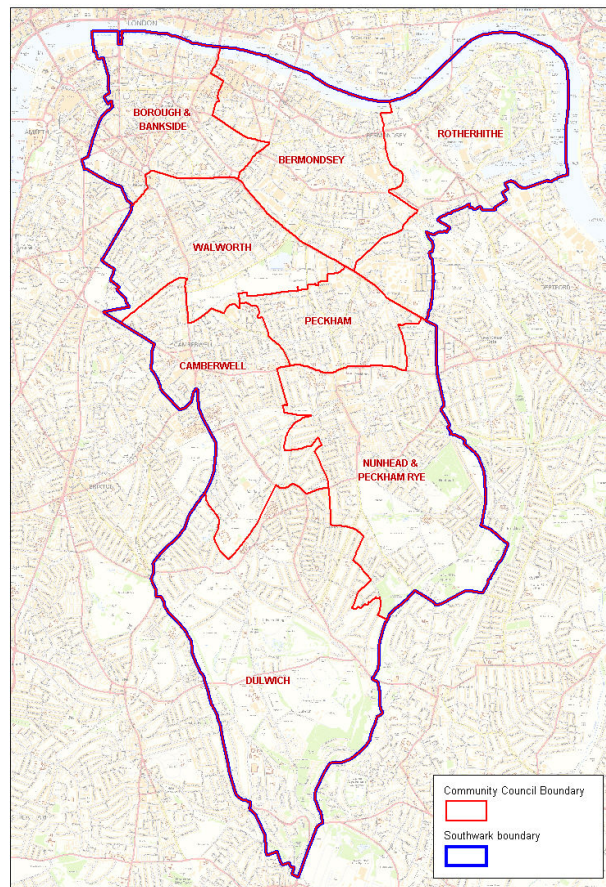
## Overview of the borough

Southwark is an exciting, diverse place to live. Nearly half the population is from an ethnic minority. Many parts of the borough are fast acquiring the characteristics, market perceptions and land values of central London. We have a well established reputation in the development world.

The level of wealth is very high in areas such as Herne Hill, Dulwich, London Bridge and Bankside. However, there are high levels of poverty in areas such as Peckham, Elephant and Castle and the Aylesbury Estate. Less development takes place in the southern part of Southwark which has more open space and

conservation areas. Further regeneration is planned or ongoing in the middle and north of the borough including Elephant and Castle, Bermondsey and Canada Water. Successful regenerations include Bankside, Borough and London Bridge.

Regeneration is not just about physical redevelopment. It is about improving the life chances of residents and creating neighbourhoods that are great places to live by providing improved housing, schools, healthcare, transport, leisure facilities and employment opportunities. The needs and aspirations of the people who live and work here are vital to the future of Southwark. Regeneration must be delivered first and foremost for local people so that we can make Southwark a place where people can aspire to succeed and stay.



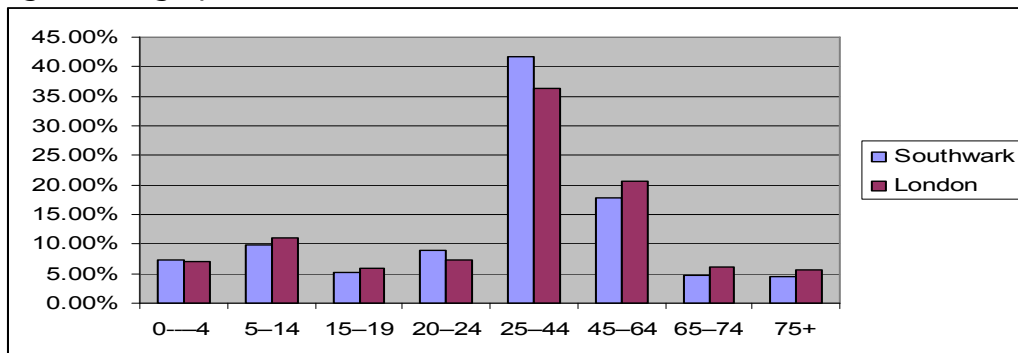
The Core Strategy is the overarching planning framework for the borough replacing the UDP. Based on consultation on the Core Strategy, most new development will be in the defined growth areas (see objective 2). We aim to provide as many homes as possible while ensuring the growth of other activities that create successful

places for work, leisure, arts, culture, sports, tourism and health.

### The borough's demographics

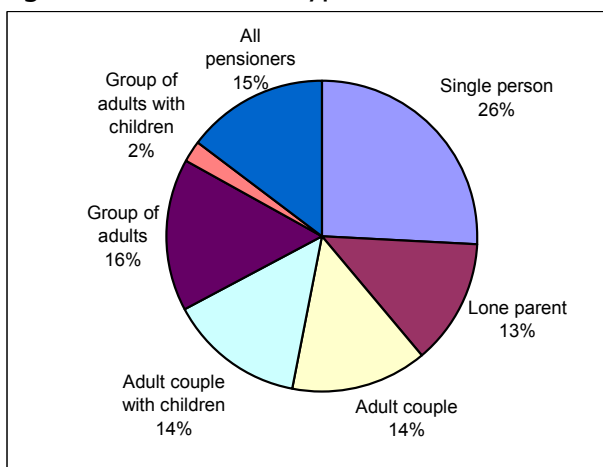
- The total population of Southwark in 2007 was estimated at 274,000<sup>2</sup>. This has risen by well over 50,000 since 1981. The GLA project the population to grow to around 309,600 by 2016 and around 355,000 by 2026<sup>3</sup>. The population of Southwark grew by 23% between 1981 and 2006 compared to 10.4% for London and 8% nationally<sup>4</sup>
- The GLA estimated that there were 116,300 households in Southwark in 2006 and projected this to increase to 136,100 by 2016 and 160,200 by 2026
- Southwark has a higher proportion of people aged between 20 and 44 compared to London and a lower proportion of older people. 51.2% of the population are female.

Figure 2: Age profile of Southwark and London



Source: ONS mid year estimates 2007

Figure 3: Household type in Southwark 2008



Source: Southwark Housing Requirements Study 2008

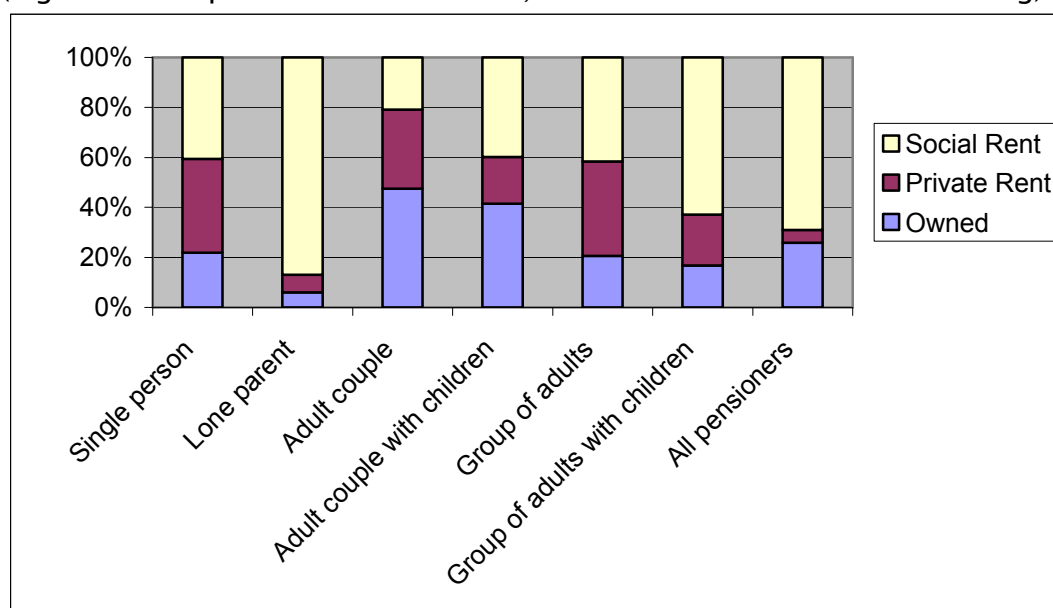
<sup>2</sup> ONS mid year estimates 2007

<sup>3</sup> GLA 2008 Round Population Projections (High)

<sup>4</sup> Southwark Housing Requirements Study using ONS mid year estimates



Figure 4: The proportion of tenure by each household type  
(e.g. of all the pensioner households, 69.1% live in social rented housing)



Source: Southwark Housing Requirements Study 2008

- Between 2001 and 2006 an estimated 16,960 households moved out of Southwark, mainly to Lewisham, Greenwich, Bexley, Bromley or Croydon. In this same period an estimated 29,040 households migrated to Southwark. Southwark has experienced high levels of international migration– in 2007/08 a total of 9,980 new national insurance numbers were issued in Southwark to non–UK nationals. The largest proportion of these (the top five) were Polish (9.1%), French (7.4%), Nigerian (7.0%) Italian (5.5%) and Australian (5.5%). In 2007 there were an around 300 asylum seekers who either received accommodation or financial support from the National Asylum Seeker Service
- In 2006 64.6% of the population was white, 4.0% was mixed, 6.1% was Asian or Asian British, 20.9% was Black or Black British and 4.4% was Chinese or other ethnic group.<sup>5</sup> An estimated 16% are African communities (mainly Nigeria and other parts of West Africa) and 7% are Caribbean communities
- There are very low income levels in Southwark, especially among those in council rented housing as demonstrated in table 1.

<sup>5</sup> ONS mid year estimates 2006  
HousingStrategyAppendixA1.doc

Table 1: Average household income in Southwark by tenure, 2008

Tenure	Mean	Median
Owned outright	£33,100	£19,200
Owned with a mortgage	£64,200	£46,000
Rent from Council	£14,800	£9,100
Rent from housing association	£18,500	£14,300
Private rent	£31,700	£22,200
Total	£29,800	£16,800

Source: Southwark Housing Requirements Study 2008

- The Southwark Housing Requirements Study found that 53,500 (20%) people living in Southwark said they had health problems. So 25% of households contained at least one member with a health problem. 18,030 people had long term illness, disability or infirmity. 690 were wheelchair users and 4,460 had other walking or mobility difficulties. 4,470 had difficulties due to old age or frailty
- Over 40% of council renters and over 30% of housing association renters contain at least one person with a health problem. 9,600 people needed some form of care or support. In 2001 there were 8,500 unpaid carers in Southwark<sup>6</sup>.

## Deprivation

- Southwark is the 26<sup>th</sup> most deprived local authority area out of 354 nationally based on the average of scores and the 9<sup>th</sup> most deprived in London<sup>7</sup>
- The most deprived areas are concentrated in the centre of the borough while some areas in the south and north of the borough have lower levels of deprivation. Over half (58%) of LSOAs<sup>8</sup> in Southwark are in the 20% most deprived LSOAs in England, but this has reduced from 64% in 2004<sup>9</sup>.

<sup>6</sup> UK Census 2001

<sup>7</sup> Index of multiple deprivation 2007 as quoted in the *Southwark vital statistics*

<sup>8</sup> Lower Layer Super Output Areas (LSOAs) are units of geography used in the UK for statistical analysis which have an average population of about 1,500 people.

<sup>9</sup> Index of multiple deprivation 2007 as quoted in the *Core Strategy*

## Employment, worklessness and qualifications

- In 2007, Southwark had an estimated 165,800 jobs. Of these, 5.7% were in manufacturing, 3.7% construction, 14.6% retail/ hospitality, 5.5% transport/ communications, 42.4% finance and business services, 21.2% public administration/ education/ health, and 6.5% 'other services'<sup>10</sup>
- In the Southwark Housing Requirements Study 42.1% were in full time paid employment, 8.7% were in part time paid work, 7.3% were self employed and 41.9% were not currently in paid work. 8.6% of respondents worked from home
- In 2001 24.5% of those of working age in Southwark had no qualifications compared to 23.7% in London. 49.9% of people had level 3 qualifications or above compared to 46.2% in London<sup>11</sup>
- In 2001, around 12% of residents were managers or senior professionals – 50% above the national figure, but less than in Inner London. Southwark in 2001 was home to 18,800 full time students, a proportion almost double the national average<sup>12</sup>
- Unemployment (claimant count) remains nearly double the national average, and the equal 7th highest borough in London.<sup>13</sup>

## Tenure mix and the sustainability of our local communities

- The proportion of social housing stock (council rented plus housing association rented) at the 1<sup>st</sup> April 2009 was 45% (down from nearly 70% in the 1970s). This is still nearly three times the national average and the highest in London. 33% of the stock is council rented and 12% housing association rented
- At the 1<sup>st</sup> April 2009 an estimated 28% of the stock is owner occupied, well below London and national proportions. 27% of the stock was private rented<sup>14</sup> and this has risen significantly over the past few years.
- Private landlords are acquiring significant numbers of traditional street properties
- These changes reflect both 'right to buy' purchases and the construction of extensive private housing schemes since the 1980s.

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<sup>10</sup> Core Strategy

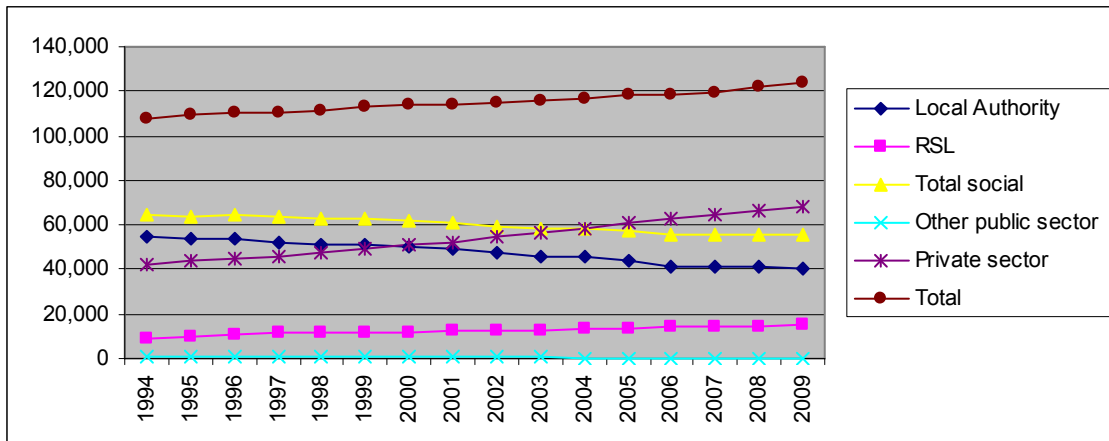
<sup>11</sup> UK Census 2001

<sup>12</sup> UK Census 2001

<sup>13</sup> Core Strategy

<sup>14</sup> The proportions for owner occupied and private rented are estimated using proportions from Southwark Housing Requirements Study 2008 and applying these to the stock figures in the HSSA 2009.

Figure 5: Tenure trends in Southwark 1994 to 2009



Source: Southwark Housing Strategy Statistical Appendix

- The housing association sector has been growing steadily over the past 14 years and will continue to grow through partnerships with a number of 'developing' housing associations. However the number of housing association properties coming up for re-letting has been declining in recent years, although the reasons for this are not yet known
- Southwark Council has retained its stock and remains the largest local authority landlord in London
- There are 14,600 council leaseholders and service charge payers.

### Housing need in Southwark

- In 2008 there were an estimated 38,412 households living in unsuitable housing with a need to move.<sup>15</sup>
- On the 1<sup>st</sup> April 2009 Southwark's housing register had over 15, 500 households registered and eligible for a move
- There are around 2,500 council and housing association nominations of social rented lettings a year
- Homelessness approaches have declined significantly from over 1,400 in 2007/08 to under 900 in 2008/09 as a result of the development of a range of homelessness prevention initiatives. Homeless acceptances have also fallen significantly
- Levels of overcrowding are high, particularly in the Council's own stock. The full extent of under-occupation in social housing in the borough is not known currently
- There can be lengthy waits for rehousing for even high priority households.

More information on housing need is given in Objective 3.

## Stock condition in Southwark

Key facts on private sector stock condition from the Southwark private sector house condition survey 2008 (PSHCS) –which included housing association dwellings in order to capture data on the condition of this sector:

- 43% of private sector dwellings were constructed pre-1919 and 43% after 1964. 48% are purpose built flats and 37% are terraced dwellings
- 37.4% of private sector dwellings have a Category 1 hazard, about 28,700 dwellings. Over 90% of Category 1 hazards are caused by the likelihood of exposure to excess cold
- In Southwark, 47% of owner occupier and private rented homes are non-decent compared to national rate of 38%. The principal reason for not meeting the standard was: presence of Category 1 hazard
- 44% of vulnerable private sector households (excluding RSL tenants) in Southwark live in decent homes compared to the 2020 target of 75%
- About 20% of homes in Southwark are at risk of fuel poverty, higher than national average of 11%<sup>16</sup>
- 8,000 to 9,000 buildings are acting as HMOs representing about 17,000 dwellings<sup>17</sup>
- 3.3% of dwellings in the private sector were vacant.

More details on housing association stock condition are included in the next section.

## Social housing stock condition

As at 1.4.2009 47.2% of council stock was non-decent in accordance with the Government definition; the baseline for this figure is from the 2002/3 stock condition survey. On the basis of the 2008 PSHCS, 35% of housing association dwellings in Southwark were also non-decent, compared to 29% nationally.

A new survey (2008/9) has been carried out on council stock condition and will give a more accurate reflection of our stock condition, ongoing investment needs, and progress in meeting the Government's Decent Homes Standard and the higher Southwark Decent Homes Standard. In spite of significant levels of spending on improvements, the investment needs of the Council's stock still remain very high. We also know that the current assumptions of resources

<sup>16</sup> Fuel poverty is where fuel costs are more than 10% of total household income (net of tax and national insurance). These are average figures in 2006 for all tenures.

<sup>17</sup> HMO estimates should be treated with a degree of caution as a general house condition survey is unlikely to provide a true estimate due to sampling methodology. Also HMO definitions are complex. Findings should be used to identify and illustrate trends within this sector of accommodation.

available are insufficient to meet these needs, and therefore we will continue to explore measures to identify other sources of funding, including lobbying the Government and funding bodies for increased resources. The results of the survey will also be a tool in looking at the requirements of some of our high cost estates and the potential for considering alternative 'local' solutions with residents. More information on the results of the survey and measures to improve stock condition across all tenures are set out under Objective 1.

## Key challenges for the borough

### The economy

This strategy has been written at a time of almost unprecedented change in the economy and housing markets nationally and locally. However, we expect that at some point during the lifetime of this strategy, the recession will end and we will be faced with new issues and challenges. What will be consistent is our commitment to providing more and better homes of all tenures, types and sizes, improving skills and access to employment, promoting environmental sustainability, and helping to shape the long-term future of the borough.

### Regeneration programmes

Southwark has one of the most ambitious regeneration programmes in the country. The plans, in particular those for the Elephant and Castle area, Canada Water, Bermondsey Spa and the Aylesbury Estate, will have a positive impact on the type of place Southwark will be in the future. Realising the plans for these areas will significantly improve the quality of the physical environment, creating the conditions necessary to stimulate investment, re-invigorate the local economy and promote sustainable long-term regeneration. Much of the new housing in the borough will also be provided in these areas and we want it to be of the highest standard, with a good mix of sizes, types and tenures. Driving these plans forward in the current economic climate will be challenging. We will work flexibly with development partners, the GLA, and the new Homes and Communities Agency (HCA) to resource our plans, and deliver the optimum amount and type of housing for each area to enable sustainable communities.

Some regeneration scheme costs have implications for the Council housing investment programme and housing revenue account. One example of this is the cost of buying back the homes of leaseholders on regeneration estates. Acquisitions are normally required early on in schemes and forward funding may be needed. In addition, most funding regimes do not cover the cost of acquisitions, so the impact on the Council's investment programme may only be

relieved by capital receipts being accrued later on. Any stock reduction reduces rental income. In order to make informed decisions on these issues we are developing an enhanced housing supply and demand model and site appraisal process.

### **The Decent Homes Standard target for council stock**

Southwark's housing options appraisal in 2006 showed that Southwark could retain both ownership and management of its stock, and meet the Government's Decent Homes Standard by 2010/11. Retention was seen as a positive option, particularly in light of a history of tenant opposition to other funding options, including three unsuccessful attempts at stock transfer. The 2008 Council Decent Homes Review, although recognising a significant investment gap, re-affirmed the commitment not to undertake wholesale change in management or ownership of the council stock to finance the council housing investment programme. As part of this review it was also recognised that the Government standard neither met the investment needs of the stock nor addressed resident aspirations for their homes and wider environment. A higher Southwark Decent Homes standard was therefore agreed; it was however acknowledged that this standard would cost more and take longer to deliver.

The challenge, made more difficult in the current economic climate, is to manage the consequences of this decision. We remain faced with a significant funding gap, so we need to use our assets in the most effective way to resource the much needed improvements. This will include looking at local solutions for specific estates, the sale of a limited amount of stock and the pro-active disposal of under-utilised land and buildings within the housing revenue account. Just as importantly, the Council needs to consider how it manages the homes, carries out its landlord obligations, and meets residents' expectations while housing revenue account resources are diminishing.

The implications of the recent tragic fire at the Lakanal block in Camberwell are likely to be far-reaching, not just for Southwark but nationally. In terms of investment, most programmes of works have a health and safety element to them and we will continue to honour our commitment to the health and safety of our residents. At the time of writing this strategy it is too soon to fully evaluate the implications of the fire for the Council's investment programme.

## Delivering housing targets

The London Plan set very challenging targets for new housing in Southwark which equate to approximately 1,630 new homes per year from 2007/08 to 2016/17 of which 50% were to be affordable. This was among the highest targets in London. In addition, the new Mayor has revised the affordable housing target upwards to 2,453 gross affordable units to be achieved over the three years 2008–2011. At the time of developing this Housing Strategy a new London Plan is being prepared which is likely to set a new numerical target for market and affordable housing for future years.

A major challenge for us is therefore how to meet these housing targets and at the same time deliver mixed and balanced communities, and other priorities such as increasing employment opportunities, new schools, better health facilities, better public spaces, and protecting open spaces and the character of different areas. The strategic housing land availability assessment (SHLAA) will assist in the identification of suitable sites to enable us to deliver on these targets which will inform the Core Strategy. The Core Strategy will then identify potential sites of over 0.25 hectares for development. As part of the review of housing revenue resources smaller sites will also be considered for development.

In responding to these challenges we will build on our track record of success in creating new homes, improving the condition of social housing and private sector housing, bringing empty homes back into use, meeting housing needs and preventing homelessness. Examples of some of our key successes are listed in Section 2 'Our strategic objectives and priorities'.

We know we cannot do everything we would wish. Therefore, as a partnership, we have had to make choices about our key objectives and our key priorities as detailed in Section 2. Effective partnership working is essential to deliver our shared vision.

### Our vision

The overarching vision for the Southwark Housing Strategy is:

***'To improve residents' lives by providing high quality homes and housing services that promote successful and inclusive communities.'***

To achieve our vision we have agreed four strategic objectives. These are to



- 1 Improve the quality of existing housing and use it more efficiently**
- 2 Increase the supply of good quality housing**
- 3 Enable choice while meeting housing needs**
- 4 Prevent homelessness and reduce the use of temporary accommodation.**

More details of how we intend to deliver on our vision and strategic objectives are given in the sections that follow.

## 2.0 Our strategic objectives and priorities

<b>Objective 1: Improve the quality of existing housing and use it more efficiently</b>	
<p>Priorities (<u>key priorities underlined</u>)</p>	<ul style="list-style-type: none"> <li>• <u>Bring council homes up to the Southwark Decent Homes Standard</u></li> <li>• <u>Use existing assets to better meet changing needs</u></li> <li>• <u>Bring empty homes back into use</u></li> <li>• <u>Improve the energy efficiency of homes in all tenures</u></li> <li>• Improve and maintain the quality of private housing</li> <li>• <u>Improve housing management</u></li> </ul>
<p>Successes to date</p>	<ul style="list-style-type: none"> <li>• 1,977 council homes were made decent in 2008/09, and 23,136 had works that involved new installations (such as bathrooms or kitchens) or major repairs</li> <li>• In 2008/09 we helped to make 307 private homes decent</li> <li>• In 2008/09, 313 major adaptations completed to council homes against a target of 200</li> <li>• 198 minor adaptations to council homes were carried out against a target of 180 in 2008/09</li> <li>• 96 private sector properties were adapted through disabled facilities grants against a target of 65 in 2008/09</li> <li>• The repairs control centre won the UK Housing Award in autumn 2008</li> <li>• In 2008/09, the Council brought 142 empty private sector homes back into use</li> <li>• 170 properties improved in 2008/09 either through enforcement actions (the landlord complying with conditions imposed by HMO licences), or the owner responding to an informal approach to improve their property</li> <li>• Southwark Council achieved 24 de-conversions and 2 extensions to existing properties (2006–2008) to help tackle overcrowding</li> <li>• Southwark Council was awarded funding from the Migration Impacts Fund for private rented housing improvement of £105,000 for 2009/10.</li> </ul>

## Why this objective?

The quality of housing and the local neighbourhood can have a big effect on the quality of life for residents, including health, feelings of security, education and employment opportunities. Housing also has a major environmental impact. Improving the quality of existing housing will improve the lives and opportunities for residents today for years to come. This will mean preventing properties from falling into disrepair, modernising properties that have fallen into disrepair, and reducing the impact that our homes have on the environment.

While objective 2 explains how we will try to increase the supply of housing, there will still be insufficient housing to meet need; therefore we need to make the best use of the existing housing in the borough. As there is not enough social housing to help meet the borough's housing needs, we have increasingly come to rely on the private rented sector to house people in housing need, so this further underlines the need to maintain and improve the private sector. We also need to improve empty property (void) turnaround times and bring more homes back into use.

## Challenges

### High levels of poverty

As indicated in Section 1, Southwark is a borough with high levels of deprivation, diverse income levels and in social housing, very low average income levels. This severely limits households' housing options and increases the importance of providing good quality housing services. There are also issues with poor health and high rates of disability. This is reflected in high levels of demand for adaptations to people's homes to make them more accessible. In 2008, 3,580 households in Southwark had health problems where the layout of their current home did not meet their needs, of which 37.4% could be adapted.<sup>18</sup>

### Meeting the Decent Homes Standard

As already indicated, there are high levels of properties across all tenures in Southwark which do not meet the Government's Decent Homes standard. Southwark Council is one of the biggest landlords in the country, with 40,485 social rented dwellings, 33% of the total stock in Southwark.<sup>19</sup> 47.2% of council stock was non-decent in accordance with the Government definition as at

<sup>18</sup> Southwark Housing Requirements Study 2008

<sup>19</sup> Southwark Housing Strategy Statistical Appendix April 2009

31.3.2009, based on the 2002/03 stock condition survey. There were nearly 15,000 housing association homes in the borough at this time.

As identified in the private sector housing stock condition survey 2008, 35% of housing association homes were also non-decent. Housing associations in the borough are generally in a more advantageous position than the Council in that their stock is more modern on average, with some exceptions among long-established RSLs.

In the Council's new survey of the condition of its own housing stock, 2,700 properties have been surveyed internally and 1900 blocks were surveyed externally. We will continue to carry out further surveys: e.g. on location of asbestos, and conducting fire safety risk assessments to further increase the robustness of the data.

The table below shows the indicative annual targets for council homes to be made decent through a range of investment activities for the duration of the strategy. It shows the number of homes where internal work only will be carried out, the number of homes to be improved to the Decent Homes standard, and the number of homes to be improved to the Southwark Decent Homes standard as part of our major schemes; namely the Friary and East Dulwich Estates.

<b>Targets for Council Homes to be made Decent</b>						
	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>
<b>Internal works only</b>	100	500	500	500	500	500
<b>Decent Homes programme</b>	909	1,000	1,486	1,522	1,695	1,695
<b>Major Schemes – Decent Homes Plus Standard</b>	682	686	0	0	0	0
<b>Voids</b>	115	110	108	108	108	108
<b>Total</b>	<b>1,806</b>	<b>2296</b>	<b>2094</b>	<b>2130</b>	<b>2303</b>	<b>2303</b>

We know that there are not sufficient resources to meet the level of investment the stock requires; although we are exploring options to increase funding for investment.

In delivering investment works, the Council will be moving away from an area-based approach, to a borough-wide approach in order to achieve greatest value for money. The priority will be to tackle estates with the greatest need, in terms of both Decent Homes and our landlord requirements, such as lifts, district heating, tanks and health and safety issues. Residents will be consulted on how to

prioritise on the basis of limited resources, and to test the stock condition survey results against local knowledge. The Council will also be working with residents to identify capital receipt opportunities from council assets and we will continue to lobby for more Government support to bring the homes up to 21<sup>st</sup> century standards and bid for any available funding appropriate for stock investment.

### Changing communities leading to changing needs

Over a number of years the needs of a community are likely to change. It is necessary therefore to recognise what the needs of communities are today and what they will be in the future, and ask whether we are using what assets we have in the most productive way. The limited supply of land also demands that we use what we have in the most productive way to help meet housing needs.

### High levels of run-down private sector housing

The private sector house condition survey 2008 (PSHCS) shows that there are around 77,000 private sector properties (including housing associations) in the borough. Housing association homes were included in this survey in order to ensure a comprehensive approach to all non-council rented homes, which were covered in a separate survey (see section **Meeting the Decent Homes Standard**), but for all other purposes would be classified as falling within social housing tenure.

43% of private sector homes pre-date 1919, and 43% were built after 1964. Of the 77,000 private properties around half are owner-occupied, some 29% have private tenants and the remainder are housing association properties. With the right approach, existing older housing could be with us for another 100 years. The PSHCS also found that 47% of private properties (excluding housing associations) are non-decent.

The PSHCS estimates that about 38% of private sector homes (28,700 properties) in the borough have a Category 1 hazard. In 97% of cases this is due to excess cold. Under the Housing Health and Safety Rating System (HHSRS)<sup>20</sup> hazards are graded according to their severity with the most serious being Category 1 hazards. Dwellings can have more than one hazard. Dwellings with a Category 1 hazard are below the statutory minimum required in the Decent Home standard and are therefore non-decent. Local authorities have a duty to take action to seek to remedy Category 1 hazards. While this has resource implications as a result of

<sup>20</sup> Housing Health and Safety Rating System: this is the first survey to fully consider the condition of the stock against the measure of the Housing Health and Safety Rating System (HHSRS), introduced by the Housing Act 2004. The 2003 survey used the "draft" HHSRS which was then available, alongside the Housing Fitness standard.

the increased activity for Council services e.g. in taking enforcement action against landlords who fail to remedy such hazards, there are also programmes available to increase the thermal efficiency of homes, particularly for vulnerable households.

Table 2: Estimated total costs to remedy Category 1 hazards

Hazard	Southwark
Excess cold	£62,926,357
Crowding and space *	£547,195
Personal hygiene, sanitation etc. *	£26,304
Falls on the level *	£111,231
Falls associated with stairs etc. *	£508,506
Falls between levels *	£13,387
Electrical hazards *	£1,897
All	£64,134,878

Source – Southwark PSHCS 2008 table 4.28. \*– indicates small numbers.

The HHSRS operating guidance links ‘crowding’ in homes with health issues like psychological distress, hygiene risks and an increased risk of accidents. ‘Over-crowding’ has a legal definition associated with the number of people living in a property, the number of bedrooms in the property and the ages and sexes of household members.

### High numbers of vulnerable households in run-down housing

The Government target is that by 2020, 75% of vulnerable private sector households (excluding RSL tenants as housing associations have their own Decent Homes targets) nationally should live in decent housing. In Southwark, around 44% of vulnerable private sector households currently live in decent homes under HHSRS. (The HHSRS relates the condition of the property to the health of the occupants). This means there is a large gap (31%) between the 2020 target and the current position so there is a big resource implication of trying to meet these targets.

### Meeting our environmental commitments and reducing fuel poverty

In 2006, total CO<sub>2</sub> emissions in Southwark were estimated at 1.8 million tonnes. 28% of this was from homes. The Southwark Sustainable Environment Partnership has agreed a target for its Local Area Agreement (LAA) to reduce per capita CO<sub>2</sub> emissions across the borough by 8.5% over the period 2008–2011. The Council also reports to the Government on a new performance indicator (NI187). This is a measure of the percentage of households in receipt of income based benefits,

living in the most and least energy efficient homes (as measured by SAP<sup>21</sup> rating). The PSHCS found that energy efficiency of dwellings overall in the private sector is higher than the national average. The standard assessment procedure for energy rating of dwellings (SAP rating) for private sector dwellings including housing associations in Southwark is 59, compared to a national average of 49 for all tenures. This is mainly due to a high proportion of flats. There is still significant potential to improve the efficiency of the stock. The PSHCS showed that older properties tend to be in greater disrepair and are less energy efficient, requiring more investment.

Older people and vulnerable households are more likely to suffer from fuel poverty. This is when a household has to pay more than 10% of their income on fuel bills. The recent PSHCS suggested that 20% of all homes in the private sector (owner occupied, private rented and housing association tenures) in Southwark are at risk of fuel poverty, compared to a national average of 11% (all tenures). Energy efficiency measures can dramatically reduce the cost of heating a home to a comfortable standard. Amongst older people, cold is a significant cause of premature death. Tackling this issue will not only reduce the numbers of people suffering from excess cold but will contribute to reducing CO<sub>2</sub> emissions. It is worth noting that the relationship between income and energy efficiency is complex. Some poorer households' homes may have the best energy efficiency (due to grants or housing association tenure), and some wealthier households may have worse efficiency as fuel costs are a lower priority for them.

### Relatively high levels of vacant stock

The recent Private Sector House Condition Survey (PSHCS) 2008 suggests that around 3.3% dwellings in the private sector (includes owner occupied, private rented and housing association tenures) are currently empty. Given the demand for housing it seems incomprehensible that a property should be left empty. Furthermore, an empty property that is not maintained can be a blight on a neighbourhood, making an area look uncared for. In some cases a property may be squatted or attract criminal activities. But there can be understandable circumstances that can lead to a property becoming empty, for example when a property is repossessed, or the landlord cannot afford to repair it.

### Increase in private renting by smaller landlords

There has been a big increase in the number of households renting properties in the private sector, compared to the last survey in 2003. Many private landlords purchased properties in a rising market which they saw as good investments, but

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<sup>21</sup> Standard Assessment Procedure for Energy Rating of Dwellings  
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had little or no knowledge of their responsibilities as landlords. The majority of landlords in Southwark only own a few properties. Within the private rented sector we have seen a sharp increase in the number of houses in multiple occupation (HMOs), which the PSHCS estimates to be about 17,000 dwellings<sup>22</sup>. Some HMO landlords seek to minimise investment in property maintenance and improvement while maximising rental income through increasing the number of occupants, resulting in overcrowded properties in poor condition. So we need to ensure that the private rented sector is well managed and is of a decent standard.

## Our plans

### To bring council homes up to the ‘Southwark Decent Homes Standard’ we will:

- Make best use of Council assets including:
  - Selling some empty (void) properties to provide a capital receipt (currently agreed up to a maximum of 100 properties per year for three years). Money raised from this will also be used to increase the supply of properties through the ‘Hidden Homes’ scheme.
  - Identifying available land and under-utilised non-housing assets, potentially using part of the capital receipt to improve the external environment of estates.
  - Maximising the cost efficiency of spending through improving the quality of information on stock condition and investment needs, and by changes to specifications and the way major works contracts are packaged. This is being undertaken by dividing borough wide major works contracts into four lots, with a further package for street properties and major voids, to obtain economies of scale and also continual improvement of delivery.
- Deliver major housing-led regeneration schemes such as the Heygate (part of the Elephant and Castle regeneration area), and the Aylesbury estate programmes. This will mean demolishing a lot of housing in poor condition, reducing the overall number of non-decent homes. More new, high quality homes will be built than are demolished and the replacement housing will be a mix of tenures; private, intermediate, and social rented.
- The Southwark Housing Strategic Partnership will also work with our RSL partners to demonstrate a common commitment to improving the condition of all social housing in the borough, including exploring innovative use of resources and lobbying the Government and Homes and Communities Agency for additional investment.

<sup>22</sup> HMO estimates can only illustrate trends within this sector of accommodation due to the size of the survey sample and the complex definition of such buildings.



### To use existing assets better to meet changing needs we will:

- Develop an asset management approach including the ‘Hidden Homes’ programme to identify potential under-utilised assets, such as garages, rent offices and old laundry rooms, in order to turn them into new homes. Residents will be involved in the identification and development of sites. Our priority is to deliver larger family homes, and homes of all sizes which are accessible for people in wheelchairs. These will in part be funded from the sale of smaller and higher value units as part of our strategy of generating capital receipts
- Extend homes and de-convert smaller flats to provide larger units for families. This may be done through a Southwark scheme to address our ‘major voids’ or through the sub-regional extensions and de-conversions scheme funded from the Mayor’s Targeted Funding Scheme. The programme for 2009/10 includes 10 de-conversions, all part-funded by a sub-regional targeted funding stream
- Provide older people with more choice in the type of accommodation they live in. Some estate-based sheltered accommodation is unsuitable for the needs of older people and may be better converted to house families. The level of care required, if at all, may change and services should be flexible enough to adapt to different needs. On the Lettsom estate some former low demand sheltered units are being converted to family housing
- Adapt properties to prevent households from needing to move if they are otherwise suitably housed. We will work with partners to secure what funding is available to be able to meet the current demand and encourage landlords in other tenures to do the same. The Council provides disabled facilities grants (DFGs) for eligible households in private sector properties. There has been a big surge in demand for DFGs from housing associations. Therefore there is need to maximise resources and work with housing associations to share the burden of this responsibility with the Council, and to reduce waiting times for these adaptations
- Converting shared supported accommodation to self-contained accommodation where appropriate to better serve the residents who live there
- Encourage under-occupiers to move to smaller properties through measures to help people find a property more suitable to their needs such as the ‘Small is Beautiful’ initiative (see objective 3).

### To bring empty homes back to use we will:

Private properties

- Reduce relet times by helping private landlords bring their properties back into use through advice, grants and loans (through empty homes initiatives)
- Help landlords to find a new tenant
- Continue to limit council tax discounts on second homes and limit exemptions for empty and unfurnished homes in the private sector to the statutory requirement to ensure vacant stock is kept to a minimum
- As a last resort, compulsorily purchase properties if a landlord refuses to remedy the problems with a property to protect the neighbourhood around it and to rehouse another household.

#### Social rented properties

- Build on recent improvements in the Council's re-letting times through the voids improvement plan, with a void turnaround target of a 60% reduction to 30 days for 2009/10
- Encourage housing associations to minimise the amount of time they take to re-let properties
- Use stock that becomes vacant in regeneration schemes as temporary accommodation for homeless people, to prevent the negative impacts of having large numbers of vacant properties on blocks, such as squatting.

#### To improve the energy efficiency in all tenures we will:

- Continue bringing council homes up to the Southwark Decent Homes standard which will improve energy efficiency
- Retro-fit insulation to 14000 council rented properties over the next 3 years
- Upgrade individual and communal heating systems. Many of the Council's properties are heated through communal systems. In line with the Council's climate change strategy we are committed to retaining and upgrading district heating systems to combined heat and power (CHP) and/or alternative fuels where it is appropriate to do so. We will also continue to lobby the Government for additional funding for energy efficiency in existing homes. For example, the Council will strongly argue the case for district heating and CHP where there is currently little national funding and support available. We are looking at developing more local energy networks such as the MUSCo<sup>23</sup> project at the Elephant and Castle as outlined in objective 2
- Offer grants and other assistance for energy efficiency works to private sector owners

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<sup>23</sup> MUSCo = Multi utility services company  
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- Develop energy schemes such as solar heating schemes. Southwark has received £420K towards solar heating schemes within the East Peckham and Nunhead Renewal Areas for 2009–11. The Council is currently considering a possible link to CESP<sup>24</sup> schemes within the two areas. Consideration is also being given to adding solar works into Street Renewal schemes in order to reduce fuel bills and CO<sub>2</sub> emissions
- Prioritise the use of national and regional energy efficiency grant schemes to help households containing older people and vulnerable people to tackle poverty and improve health
- Work with partners to develop innovative schemes to support “able to pay” households to reduce their emissions
- Work with partners to secure funding for low carbon energy technologies, which will improve energy efficiency of homes. This will include Government grants for renewable energy technology, insulation and energy suppliers’ obligations to fund carbon reduction measures in homes
- Improve the energy efficiency of new housing as detailed in objective 2.

### To improve and maintain the quality of private housing we will:

- Advise owner occupiers through methods such as the Southwark website about the need to carry out preventative maintenance to stop private properties falling in to disrepair
- Prioritise providing financial assistance (grants and loans) to vulnerable homeowners and private tenants who are living in homes that do not meet the Government’s Decent Homes standard <sup>25</sup>
- Assist landlords to implement HHSRS standards effectively and enforce standards where necessary
- Engage with landlords through the Southwark Private Landlords Forum and the London Landlords Accreditation Scheme to improve standards in the private sector through training and advice
- Encourage landlords to become accredited and assist accredited landlords who may wish to offer properties to us
- Provide housing benefit advice and problem resolution service to accredited landlords through a dedicated officer which also assists with homelessness prevention
- Work as part of the South East London Housing Partnership (SELHP) in delivering sub–regional schemes to improve private housing.

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<sup>24</sup> CESP stands for Community Energy Saving Programme. The programme supports energy saving and efficiency measures at a local community level by encouraging new and existing partnerships between energy companies, and local authorities and other local community groups, to offer support to poorer communities.

<sup>25</sup> A vulnerable household is defined as being in receipt of at least one principal means tested or disability benefit.

## To improve housing management we will:

### Management of council stock

- Ensure the Council's housing management service is configured to be able to better deliver key priorities, including local service delivery and higher staff visibility on estates
- Implement the housing management service improvement plan including a free, flexible one-call repairs line replacing three separate systems
- Continue to focus on our landlord obligations, including health and safety, in the delivery of our management service and investment in our stock
- Tackle anti-social behaviour through effective case management and measures such as introductory tenancies, acceptable behaviour contracts, possession notices and crack house protocols
- Reduce the level of unauthorised occupancy in council stock
- Deliver a Joint Security Initiatives (JSI) programme which enables council tenants and residents to build partnerships with the police, statutory and voluntary sectors at estate and area level to combat crime and anti-social behaviour
- Ensure residents are aware of options for council (and housing association tenants) to take control of a range of services, operations or budgets through creation of new local management agreements. Southwark has led the way with promoting new tenancy management regulations since they were first introduced. Southwark and partners are now involved in training other local housing authorities to support their Tenant Management Organisations (TMOs).<sup>26</sup> Currently around 8% of Southwark's estates manage at least one service themselves, offering tenants the ability to adjust budgets to better suit their needs, closer control on quality and efficiency and a local office on their estates
- Refurbish existing gypsy and traveller sites; of the four sites, two have been refurbished in recent years, one refurbishment is planned to start in 2009/10. We will seek funding to refurbish the remaining site.

### Management of privately-owned properties

- Please see the section on *Improving and maintaining the quality of private housing* for more information
- Seeking to encourage larger institutional landlords, lenders and housing associations to invest in private rented sector properties in Southwark.

### Management of housing association properties

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<sup>26</sup> The term TMO can be used to refer to any organisation set up by tenants to run one or more of their services.

- Encourage housing associations to manage their properties well
- Implement a common tenants' satisfaction survey for housing association tenants across the South East London sub-region
- Carefully select our partner housing associations in Southwark based on a monitoring of capacity, their track record in delivering schemes, and their policy on tenancy services
- Work in partnership with the Council, housing associations and Safer Southwark Partnership to deal effectively with complaints of anti social behaviour
- Southwark Council to share expertise in tackling unauthorised occupation with housing associations, and explore the potential of sub-regional working to address unauthorised occupation in RSL properties.

## Objective 2: Increase the supply of good quality housing

<p>Priorities (<u>key priorities</u> <u>underlined</u>)</p>	<ul style="list-style-type: none"> <li>• Increase the opportunities for housing development</li> <li>• <u>Increase the supply of housing, particularly family sized homes</u></li> <li>• Ensure new housing is of the right type and quality</li> <li>• Ensure a supply of new affordable housing to meet a range of needs</li> </ul>
<p>Successes to date</p>	<ul style="list-style-type: none"> <li>• Over the five years to April 2008, 8,808 new homes (net) were completed<sup>27</sup></li> <li>• In 2008/09, even in a difficult economic climate, 479 new affordable homes were achieved. 232 of these were social rented. The intermediate housing was mainly for shared ownership.</li> <li>• Over the past three years (2006/07 to 2008/09) 2,116 new affordable homes were completed. Of these, 1,074 were social rented and 1,042 were intermediate housing.</li> </ul>

This section has considerable overlap with the parts of the Core Strategy<sup>28</sup> that cover new housing growth. The Core Strategy was at the preferred options stage at the time of publication of the Housing Strategy. If any discrepancies occur with new housing supply targets between these two strategies the Core Strategy is the definitive version as it is part of the Local Development Framework and externally examined by a Planning Inspector. This will be more up to date as it will be adopted later than the Housing Strategy. If this occurs figures will be revised in a review of the strategy's key targets.

### Why this objective?

New housing has a key role to play in terms of contributing towards meeting the demand for housing in all tenures. It can also engender other improvements by drawing in further funding such as for the streetscape and infrastructure. Partnership working with housing associations and developers is crucial to ensure we continue to get a good supply of high quality well maintained housing in the future. Southwark, like London as a whole, is an area of high and rising housing demand with significant projected increases in population.

<sup>27</sup> Figures for completions across all tenures take time to finalise as they depend on a completions survey. The Council knows figures for affordable housing earlier as the housing associations let us know when schemes complete. This is why there are different years for these two outcomes.

<sup>28</sup> The Core Strategy is a planning document that sets out how Southwark will change up to 2026 to be the type of place set out in the Southwark Sustainable Communities Strategy.

The two main categories of affordable housing are social rented and intermediate.

- Social rented housing is homes available to rent either from the council, a housing association (also known as Registered Social Landlords) or other affordable housing providers. The allocation of social housing is based on housing need
- Intermediate affordable housing refers to homes at prices and rents above those of social rented but below private prices or rents. It can include part buy/part rent, key worker housing and intermediate rent housing.

## Challenges

### Meeting national and regional targets and policy

The Government has given a high priority to delivering 240,000 additional homes a year to 2016 nationally, and an extra 3 million homes by 2020. The London Plan sets housing supply targets for each London borough; Southwark's current target is to deliver 1,630 additional homes (net of demolitions) per year over the period 2007/08 to 2016/17, of which 50% is to be affordable. Our Local Area Agreement target was for 2,215 affordable homes for the period 2008/09 to 2010/11. A new London Plan is currently being developed.

The Council has recently agreed a new affordable housing target with the Mayor and the GLA, of 2,453 homes from 2008/09 to 2010/11. This is the gross target, including open market homebuy and empty homes returned to use. 470 affordable homes were completed in 2008/09 therefore a balance of 1,974 will be required over the remaining two years of the target. Targets beyond March 2011 will probably be established during 2010.

### High levels of housing need

The Southwark Housing Requirements Study (SHRS) 2008 shows that the borough has a high level of need for affordable housing, and in particular larger social rented housing. The Government (through PPS3) requires documents such as Core Strategies to be informed by a Strategic Housing Market Assessment (SHMA). In 2008 Southwark commissioned Opinion Research Services to carry out a Housing Requirements Study. This informs the sub-regional SHMA, which is being carried out by the same consultants. The SHMA was commissioned by the five South East London boroughs. At the time this strategy was being written, the SHMA was approaching finalisation. Both studies look at migration in and out of the borough and the sub-region, household formation and dissolution, and who needs to move due to housing problems, using CLG methodology for carrying out such assessments.

The SHRS study found that there were around 11,300 existing households who were in housing need, that is, they were living in unsuitable housing, needed to move, but were unable to afford to pay for a solution themselves. Assuming that when any existing household moves it simultaneously creates a vacancy, the study then looks at where shortages are likely to occur, across all tenures. It allocates a housing 'destination' based on affordability in the order; owner occupation, private renting, intermediate housing and then social rented housing. So if somebody is social renting, has a high income but needs to move, the demand from this household will show up in the demand for owner occupation. It does not take account of social policy aspirations e.g. to have a mix of incomes in social housing, or residents' aspirations.

After looking at the initial results, it was apparent that Southwark's actual experience on the ground was different in a number of respects. After discussions with the research contractor and with staff of other South East London boroughs, some changes were made to the methodology, as follows:

- The CLG guidance treats as adults needing their own room any person not in a couple who is over 21 years old. However both Southwark policy and the Housing Benefit regulations use the age of 16
- CLG guidance treats any household who could afford even £1 over social rent as in need of intermediate housing. This would mean that any household with an income of, for instance, £15,400 for a 1 bed or £23,600 for a 4 bed would be seen as needing intermediate, not social housing. However there are no intermediate housing products currently available at these prices in Southwark. Using Homes and Communities Agency guidelines for intermediate rents, the point at which people could afford intermediate housing was reset to reflect current reality on the ground, and those with lower incomes than £25,900 for a one bed, or £59,000 for a four bed, were treated as in need of social housing. (There is still a problem with the availability of three and four bed intermediate housing products.)

The resulting calculations of additional housing needed by tenure and bed size using the amended methodology are shown in the table 3.



**Table 3: Five year net housing requirement by housing type and size (amended methodology) addressing the backlog of need over five years – brackets represent a surplus**

Housing Requirement	Type of Housing			Total
	Market Housing	Intermediate Housing	Social Rented Housing	
<b>5-year Net Requirement</b>				
Shared housing for 25 years or under	3,020			3,020
1 bedroom	4,041	(298)	2,073	5,816
2 bedrooms	(239)	(1,579)	1,165	(652)
3 bedrooms	624	1,789	(284)	2,128
4+ bedrooms	(2,380)	(775)	3,504	349
<b>Total</b>	<b>5,066</b>	<b>(862)</b>	<b>6,458</b>	<b>10,662</b>
<b>Annual Requirement</b>				
Shared housing for 25 years or under	604			604
1 bedroom	808	(60)	415	1,163
2 bedrooms	(48)	(316)	233	(130)
3 bedrooms	125	358	(57)	426
4+ bedrooms	(476)	(155)	701	69
<b>Total</b>	<b>1,013</b>	<b>(172)</b>	<b>1,292</b>	<b>2,132</b>

(Source: ORS Housing Market Model, Southwark Housing Requirement Study 2008. Note: Figures may not sum due to rounding)

**Social rented housing** – The analysis shows a requirement for 3,504 “four bed plus” additional social rented properties, but a surplus of three beds. In reality this surplus would only materialise if all the needed four beds are provided: – if we built 3,504 four bed social rented properties the overcrowded people in three beds would move to these, the two bed overcrowded would move to the three bed etc. In reality, while we try to build larger social rented housing we will never be able to build anywhere near 701 of these a year.

It should be noted that the figures in the table are requirements for additional units, after we have provided for much of the needs of existing households. An additional problem is the creation of vacancies by the movement of existing households. In practice, looking at lettings figures, it seems unlikely that Southwark will achieve the required number of moves within the five year period.

There is a high requirement for rehousing of tenants living on estates in current and planned regeneration schemes, and some under-occupying tenants will only move if they have an additional bedroom to their assessed requirements. This means that the total requirement for social rented housing is higher than the survey indicates, particularly in the case of family sized properties. With regard to one beds, these have a higher turnover rate than other homes and Southwark feels that it can manage to provide for this need.

To summarise, there will still be a requirement for the new two beds and three bed properties, as well as a considerable need for four bedrooomed (and larger) ones. These figures also highlight the need to try and create movement of under occupiers in the social rented stock to free up larger properties.

**Intermediate Housing** – The figures also show that there is a need for larger intermediate housing. It could be possible to look at these figures and assume there is no requirement for smaller intermediate housing in Southwark; however these properties were allocated properties based on Government guidance on the methodology, not policy in Southwark. Under the methodology households in social rented housing who can't afford owner occupation but can afford private renting and who need to move, are assigned to private renting under the model. While this Housing Strategy mentions using the private sector to meet needs (given the shortage of affordable housing), it also mentions trying to create opportunities for people to move towards home ownership through intermediate housing products. People in social rented properties are generally unlikely to move to private renting but may move towards intermediate housing products. There is normally a healthy demand for shared ownership, including properties available in other South East London boroughs. Demand has dropped in the recession but there may be a demand for intermediate rented products.

In addition, in the model the current supply of intermediate housing products includes private rented dwellings with rents in the lowest quartile (below the market rent threshold), intermediate rent housing and specialist products such as Homebuy. There has been a large increase in the buy-to-let market in Southwark over the last few years and this has created a significant one bedroom, private rented sector. These are typically lived in by smaller newly formed households or inward migrant households. Any property which falls within the lower quartile of private rents was considered as intermediate rather than market housing. The intermediate surplus exists in the form of private rented dwellings rather than dedicated intermediate housing products.

**Market housing** – This analysis also shows a surplus for four bed market properties. This is based on the fact that four bed properties are unaffordable to

the vast majority of the population in Southwark. If prices fall significantly in relation to incomes, more of the higher income households will be able to afford them and the surplus could well reduce.

Around 12% of Southwark households live in overcrowded conditions, with the highest proportions in Council rented homes (15%) and private rented homes (12%)<sup>29</sup>. 15% of households on Southwark's housing list require three-bedroom homes and 6% need homes with four or more bedrooms. Over recent years the majority of new homes built in Southwark have been one or two bedroom homes. In 2007/08 only 22% of new social rented properties, 2% of new intermediate housing and 15% of market housing had three or more bedrooms. Given the relatively low average income in Southwark, there is a particular need for larger affordable homes.

### Meeting the need from our regeneration projects

Southwark has developed a 'supply and demand model' which includes details of how much new social rented housing is projected to become available each year, against how much is needed for key housing priorities. It takes account of the need to rehouse tenants currently living on estates that will be redeveloped. It is possible to enter in details of any planned regeneration schemes and see how this will affect the supply of lettings over the next twenty years. This enables interactive and locally sensitive programme decisions to address a range of competing priorities.

An inevitable consequence of the regeneration process is that some dwellings will be taken out of management for long periods of time, or demolished. During this time blocks and estates will be proactively managed to ensure safety and security.

### Limited space for development

The north and the middle of Southwark are highly developed. There are few spaces not occupied already by either commercial or residential buildings. In some areas there is little green space and this is important to residents and plays an important role in health and well-being, so it is important to protect our open spaces. The Government requires all local authorities to identify a 15 year supply of land for housing in their area as part of their Local Development Framework; this is being done through the Core Strategy and the preparation of the Strategic Housing Land Availability Assessment (SHLAA). In addition Southwark is looking at land capacity within its estates for smaller development opportunities. As a result

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<sup>29</sup> Southwark Housing Requirements Study 2008  
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much of the development of new housing in Southwark involves demolishing or redesigning existing buildings.

### The economy

Until the economic downturn, good progress was being made on affordable housing delivery. In the last few years 27% to 30% of our affordable housing programme has been delivered by section 106 agreements with developers. However, the economy has started to impact on schemes delivering affordable homes through section 106 agreements.<sup>30</sup> Some privately led schemes at various stages of delivery have struggled to remain viable as the proceeds from sales of private units have reduced, putting pressure on resources for the affordable homes. Potential buyers are facing problems getting mortgages. Private housing sales may cross-subsidise the provision of affordable housing in the development so this is putting extra pressure on making schemes “stack up”. This is impacting on the amount of social housing that can be developed without additional funding through social housing grant.

We have been less reliant on Section 106 schemes than other London boroughs. The majority of our affordable housing programme is still from housing association grant funded schemes which tend to have more certainty of delivery and better quality and scheme mix. The fully affordable schemes, funded through the national Affordable Homes Programme, have continued to deliver, but there is evidence of housing associations not starting as many new developments as would normally be the case, and of a reduction in the scale of schemes in which housing associations are seeking involvement. It is clear that housing associations are more cautious than previously and that this is partly to do with difficulty in raising finance, and partly due to housing associations becoming more risk averse.

The intermediate market has been particularly badly hit, due to the difficulty of applicants in obtaining mortgages for shared ownership homes. This may have an impact on the type of intermediate housing products that will be developed in the immediate future.

In the short to medium term we will focus on delivering affordable housing. The Homes and Communities Agency has brought forward significant amounts of funding for affordable housing as one among several measures to keep the house building industry going.

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<sup>30</sup> The council can enter into a Section 106 agreement, otherwise known as a 'planning obligation', with a developer where it is necessary to provide contributions to offset negative impacts caused by construction and development.

## Ensuring high and sustainable quality standards

We need to increase supply while ensuring high quality housing and creating mixed and balanced communities to avoid problems in the future. Some examples of components of poor quality housing include rooms that are too small for families, poor sound insulation, or neighbourhoods where people do not feel safe.

Southwark is committed to ensuring new housing is built to high environmental standards. To help tackle climate change, new housing must meet increasingly tough CO<sub>2</sub> emission targets. However this can increase the cost of development.

### Example of good practice – The MUSCo at Elephant and Castle

The regeneration of the Elephant and Castle will include implementing economically viable innovations in buildings, the generation of clean energy, waste and water management, and transportation and outdoor lighting systems. We have now set up MUSCo, a Multi-Utility Services Company, which will deliver a low carbon infrastructure to over 6,000 new homes and businesses across the entire Elephant and Castle regeneration area, one of the biggest projects of its kind in the UK. MUSCo will help the Council achieve significant carbon reduction targets as the infrastructure is extended to other estates. Elephant and Castle has been selected as one of 16 founding projects for a Clinton Climate Initiative (CCI) programme.

## Our plans

### To increase the supply of housing we will:

- Extend the London Plan target for Southwark–24,450 new homes (all tenures) between 2011 and 2026, approximately 1,630 additional homes (net of demolitions) per year) to 2026. (This target may change when the new London Plan is adopted, or through Southwark’s Core Strategy once this is adopted in 2012)
- Provide 8558 new affordable homes between 2011 and 2026. These numbers are below the current London Plan target of 50%, reflecting the borough’s strategic priority to create mixed and balanced communities. Initial indications from the GLA on our draft Core Strategy, which includes these targets, is that it is in conformity with the principles of the London Plan. The 8558 new affordable homes will be achieved by requiring developments of 10 units or more to have a minimum of 35% as affordable homes. In reality the borough may deliver higher numbers of affordable homes (pro rata) over the next few years through the partnerships it has developed as described elsewhere in this document

- Focus large developments in the defined growth areas. However, applications for new housing development in other areas will still be considered. By focusing housing in growth areas that are being regenerated and have good accessibility to public transport, we can contribute to protecting, our open space, the character of all the different places in Southwark, employment areas and community facilities. An overview of plans by area is included in table 4 at the end of this objective (Further information can be found in the Core Strategy.). Therefore new housing growth will be prioritised in:
  - Central activities zone
  - Elephant and Castle opportunity area
  - Borough, Bankside and London Bridge opportunity area
  - Peckham and Nunhead action area
  - Canada Water action area
  - Aylesbury action area
  - West Camberwell regeneration area
  - Old Kent Road regeneration area.
- Prepare area action plans for Aylesbury, Canada Water and Peckham and Nunhead. Each area action plan will include a target for how much housing will be provided within its boundary
- Prepare Supplementary Planning Documents for Borough, Bankside and London Bridge, and Dulwich. There is already an adopted Supplementary Planning Guidance for the Elephant and Castle and an adopted Supplementary Planning Document for the Enterprise Quarter (which covers part of the Elephant and Castle). These will also set out the detail of how we will increase the supply of housing
- Regenerate estates. Regeneration schemes are in progress or being considered on a number of housing estates. This is in response to a combination of factors including poor stock condition and significant investment requirements. There are also schemes where redevelopment provides a more beneficial solution than investment in the existing properties. On some large scale redevelopments there may not be 100% re-provision of social rented housing in order to achieve greater tenure mix and sustainability, and to help make the schemes financially viable. However we are increasing the supply of affordable housing in the borough overall
- Complete a strategic housing land availability assessment (SHLAA) with the GLA to identify suitable sites for development. We will also explore opportunities with residents for additional housing on existing housing developments and over shops and other appropriate areas, including the Council's 'Hidden Homes' scheme. We will allow housing to be built on

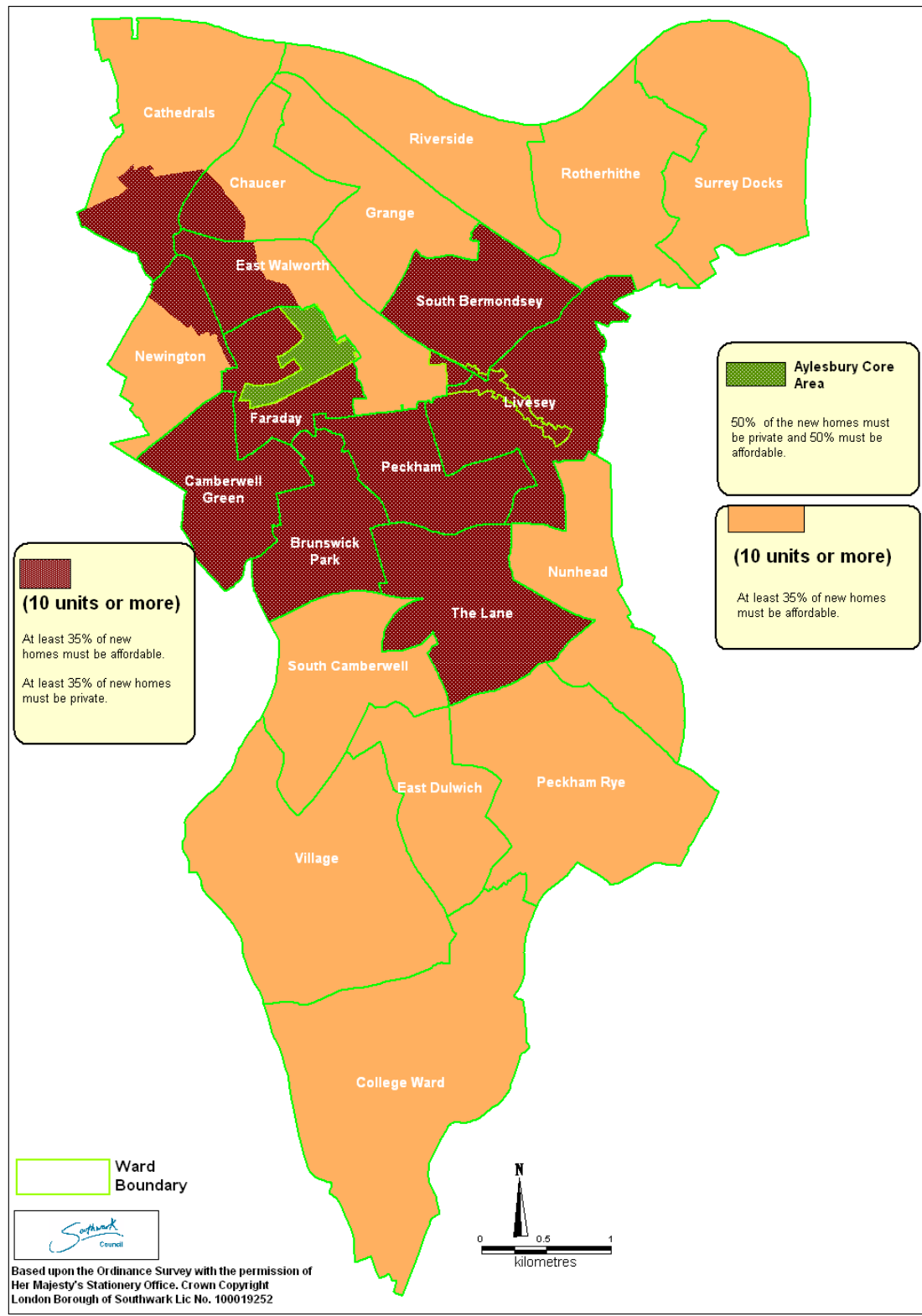
employment or industrial sites that are no longer needed. The final Core Strategy will include a list of possible sites for housing development based on the SHLAA.

- Adopt a co-ordinated land assessment approach to ensure that all opportunities for development flow through a central asset management and investment process. This includes the 'Hidden Homes' schemes. This looks at any possible area for development and the feasibility and viability of the various options for development. It looks at potential to bring in HCA funding if required. It considers how to best package a site such as how to get the most value from it. This is then built into the supply and demand model to help inform the understanding of what housing is needed and likely to be available in future
- Maximise opportunities to use housing development to improve the health of residents through improving green spaces, providing spaces for bicycles, and providing and improving health facilities. All new residential development must provide an adequate amount of useable outdoor amenity space as detailed in the residential design standards. Children's play areas should also be provided if the development contains ten or more child bed spaces
- Maximise opportunities to use housing development to improve the surrounding infrastructure including educational facilities, community facilities and improving business support
- Give careful consideration to the needs of gypsies and travellers. The Council will endeavour to meet the targets which the Mayor of London sets for providing sites for gypsies and travellers, when these are agreed.

### **To ensure a supply of new affordable housing to meet a range of needs we will:**

- Endeavour to meet the revised gross affordable housing target of 2,453 over the period 2008/09 to 2010/11 that was agreed with the Mayor of London
- We will endeavour to meet the new London Plan affordable housing target of when developed by requiring a range of homes for people on different incomes.
- Developments of 10 units or more must provide a mix of types of housing as set out in Figure 6 below.

Figure 6: Private and affordable housing approach





- Secure affordable supply through a number of mechanisms, including agreeing changes to section 106 agreements, or support the use of grant from the HCA, where an economic appraisal has demonstrated that developers cannot meet their affordable housing obligations. There are two specific initiatives in development to contribute to continued supply:
  - Establishment of a framework agreement with the Homes and Communities Agency which aims to identify and, where appropriate, accelerate the creation of affordable housing in the borough over the next three years and stimulate the wider “place making” of communities within Southwark
  - Adoption of new asset management processes to give more structure to the process of option appraisal and disposal of council land assets
- Make the most efficient use of public subsidy to build developments with a very high percentage of (or wholly) affordable housing, and by securing affordable housing as part of private developments through planning agreements
- Consider applications from developers for social housing grant to maximise the affordable housing element in any development, subject to a financial appraisal, given the current economic climate. The positive impact of giving grant would be more control over the quality of new supply. However the social housing grant pot is finite. Another option to supporting applications for grant would be to accept less affordable housing as part of the scheme but focus on the quality and size of the accommodation being provided. This would be reviewed when the economy improves to ensure maximum benefit for Southwark’s residents
- Use the Council’s affordable housing fund to provide additional affordable homes
- Work with the HCA and with developer and housing association partners to develop a range of intermediate housing products
- Consider the potential of options such as Local Housing Companies and Community Land Trusts for delivering affordable housing. We will also consider proposals for building council housing outside of the Housing Revenue Account finance system when clearer details are provided by the Government
- Bid for private finance initiative (PFI) funding for redeveloping the Aylesbury Estate which would enable us to build council rented properties as well as intermediate and private housing
- Identify potential sites and bid for HCA Challenge Fund investment to build new council housing
- Require affordable housing (or a payment in lieu) on new student housing developments in accordance with affordable housing policy in that area.

- We will also look to balance the building of new student homes against the need for sites to meet our housing targets.

### To increase the supply of family sized homes we will:

- Ensure developments of 10 or more units must have:
  - Developments of 10 or more units must have:
  - At least 60% 2 or more bedrooms
  - At least 30% 3, 4 or 5 bedrooms. This must be split between private, social and intermediate housing
  - Within the Elephant and Castle Opportunity Area at least 10% must have 3, 4 or 5 bedrooms
  - A maximum of 5% as studios and only for private housing
- Seek, through the South East London guide for housing associations and developers, at least 50% of all new affordable homes to be homes with three or more bedrooms. These schemes would attract a higher level of support. The Council will support social housing grant applications to enable affordable housing schemes to deliver a higher proportion of family homes than could be delivered without grant
- Continue the Council's programme of de-converting and extending Council owned properties to create larger family homes. During 2006 to 2009, the programme delivered 24 de-conversion and 2 extensions, all of which (with one exception) were 4 bedroom or larger. The programme for 2009/11 includes 10 de-conversions, all part funded by the sub-regional targeted funding stream, and all but two are currently on site
- Give a high priority to provision of larger homes in the 'Hidden Homes' initiative.

### To ensure high standards of new properties we will:

- All developments will need to meet the following minimum overall floor sizes: studios 36sqm; 1 bedroom 50sqm; 2 bedrooms; 70 sqm, 3 bedrooms 86 sqm, and 4+ bedrooms 95 sqm. These are set out in the Core Strategy.
- Investigate setting targets for homes of 2 or more bedrooms for larger unit sizes than the minimum, and for more double sized bedrooms through the Core Strategy
- Seek to ensure all new homes should be built to Lifetime Homes standards<sup>31</sup>. This will make it easier to adapt homes to meet future needs, for example, in the case of mobility problems

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<sup>31</sup> The lifetime homes standards incorporate 16 design standards to make homes more flexible, convenient, safe and accessible so that they are more easily adapted to people's changing needs  
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- Ensure at least 10% of all major new developments over ten units should be suitable for wheelchair users, where the physical constraints of the site do not prevent this. Wheelchair units must be built in accordance with the residential design standards set out in the SELHP wheelchair standard. This was adopted by Southwark Council through the Residential Design Standards SPD
- Require high energy efficiency standards for new housing development to minimise the amount of energy used and carbon dioxide emissions. Residential development should achieve at least Code for Sustainable Homes Level 4 as required by the Core Strategy. <sup>32</sup>
- Encourage new development close to existing district heating schemes to connect (subject to affordability and capacity considerations), as for most larger, high density developments adoption of district heating and combined heat and power (CHP) is the most cost effective means of meeting CO<sub>2</sub> targets
- Continue to support the development of local energy generation networks, such as MUSCo<sup>33</sup> in the Elephant and Castle, and CHP through planning policies and via development of innovative schemes.

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<sup>32</sup> Full details of the various sustainability codes are explained in the Core Strategy

<sup>33</sup> Multi-Utility Service Company

**Table 4: Broad overview of the plans for areas in Southwark including the Core Strategy targets and major regeneration schemes<sup>34</sup> (Affordable housing targets given are for developments of ten units or more)**

Area	Highlights for housing
Southwark	<ul style="list-style-type: none"> <li>• 35% of new homes as affordable with at least 70% of the affordable to be social rented and a maximum 30% intermediate<sup>35</sup></li> </ul>
Elephant and Castle	<ul style="list-style-type: none"> <li>• Major regeneration across 70 acres including improved shopping, leisure, health and transport and green spaces</li> <li>• A target of 4000 new homes between 2011 and 2026 is set out in the Core Strategy as agreed with the Mayor.</li> <li>• 35% should be affordable housing. Of the affordable housing provided, 50% of these should be social rented</li> <li>• At least 35% should be private housing</li> <li>• Housing development needs to replace the 1,100 social rented homes that were provided by the Heygate Estate</li> </ul>
Borough, Bankside and London Bridge	<ul style="list-style-type: none"> <li>• A target of 1900 new homes between 2011 and 2026 is set out in the Core Strategy, as agreed with the Mayor</li> <li>• Maintain historic character but create a more cohesive and vibrant London Bridge</li> <li>• Restrictions on use of development opportunities used for hotel and student accommodation</li> <li>• Excellently designed tall buildings in London Bridge and lower developments in Borough and Bankside</li> </ul>
Canada Water and Rotherhithe	<ul style="list-style-type: none"> <li>• A target of 2500 new homes between 2011 and 2026 is set out in the Core strategy, as agreed with the Mayor</li> <li>• Major regeneration to create more of a town centre</li> <li>• Mixed use developments with new housing above</li> <li>• More shopping, leisure, health and community facilities</li> <li>• Fairly high density levels in the town centre area but less dense outside the core area of the Area Action Plan.</li> </ul>
Peckham and Nunhead	<ul style="list-style-type: none"> <li>• A target for new homes will be included in the Peckham and Nunhead Area Action Plan.</li> <li>• Bring accommodation above shops back into use</li> <li>• Work with landowners to bring forward key sites for development</li> <li>• Improved environment.</li> </ul>
Aylesbury	<ul style="list-style-type: none"> <li>• Phased redevelopment of the whole Aylesbury Estate of</li> </ul>

<sup>34</sup> Many of the individual schemes are undergoing revisions to enable them to deliver in the changed economic climate, these are marked with a \*

<sup>35</sup> This 70%-30% split is justified by the increased demand for social lettings as result of the major regeneration schemes and the very low income levels in Southwark.

	<p>2,700 existing units to provide 4,200 mixed tenure homes over 15–20 years</p> <ul style="list-style-type: none"> <li>• A greater mix of housing tenures, 50% of new homes will be affordable and 50% will be private. 75% of the affordable homes will be social rented and 25% intermediate.</li> <li>• 30% of new homes to be family housing with particular targets for 3,4 and 5 bedroom properties</li> <li>• Design excellence and quality public and private open spaces</li> <li>• The scheme, including consultation and rehousing tenants because of the regeneration scheme, is being managed by Aylesbury NDC and Major Projects Department</li> <li>• HCA grant funding has been agreed for phase 1A. L&amp;Q have been selected to deliver the affordable housing element</li> <li>• An expression of interest for housing PFI round 6 was submitted in August 2008 for the phase 2 and 3 area.</li> </ul>
Peckham, Camberwell Green, South Bermondsey, Livesey and The Lane wards	<ul style="list-style-type: none"> <li>• Most of the new housing built in this area has been social rented. To create more mixed and balanced communities, for new housing a minimum of 35% private housing will apply as well as a minimum of 35% affordable housing.</li> </ul>
Bermondsey	<ul style="list-style-type: none"> <li>• Completion of the 2,000 new homes currently being developed. Of these 40% will be affordable with a mix of flats, maisonettes and townhouses</li> <li>• Some existing poor condition council housing blocks are being demolished</li> <li>• Better facilities including a nursery, playgrounds, open spaces, and retail</li> <li>• No targets for further growth and it will no longer be an action area.</li> </ul>
Elmington Estate* Regeneration, Camberwell	<ul style="list-style-type: none"> <li>• Mixed tenure development of 450 – 500 units that will utilise vacant land created by the demolition of blocks that had developed structural weaknesses</li> <li>• Optimistic prediction to start on site in 2010, with at least 35% of the new homes being affordable, but with developers or housing associations delivering, not the Council directly</li> <li>• In response to economic circumstances, the affordable housing phase may start ahead of the market homes and HCA grant support may be necessary</li> <li>• The Elmington scheme may also be suitable for seeking</li> </ul>

	<p>funding to go beyond the 35% affordable level in the framework agreement with the HCA.</p>
<p>Wooddene site* Acorn Estate, Peckham</p>	<ul style="list-style-type: none"> <li>• A mixed tenure housing development on a cleared site</li> <li>• Capacity for approximately 400 homes overall</li> <li>• Estimated commencement of construction is 2010</li> <li>• A similar delivery strategy as outlined for Elmington will be pursued.</li> </ul>
<p>East Dulwich Estate* , East Dulwich</p>	<ul style="list-style-type: none"> <li>• Refurbishment and redevelopment scheme wholly funded from capital receipts</li> <li>• Full refurbishment of 700 homes in existing blocks</li> <li>• Disposal of at least 34 existing empty properties on the estate and conversion of unused drying rooms within blocks to generate capital receipts</li> <li>• Developing on the open sites formerly occupied by demolished blocks</li> <li>• Providing community facilities to meet a range of needs on the estate and in the wider area</li> <li>• Given the economic climate, adjustments to the strategy are likely, this may include a greater involvement of HCA grant funding, and if necessary the disposal of more void properties.</li> </ul>

### Objective 3: Enable choice while meeting housing needs

<p>Priorities (<u>key priorities underlined</u>)</p>	<ul style="list-style-type: none"> <li>• <u>Enable options for renting in a high quality private rented sector</u></li> <li>• <u>Provide options to sustain home ownership</u></li> <li>• Provide options to access home ownership</li> <li>• <u>Enhance social rented housing options</u></li> <li>• <u>Ensure the right type of housing for an ageing population, supporting independent living</u></li> <li>• Provide support for young people to live independently</li> <li>• Provide for special housing needs, supporting independent living</li> <li>• <u>Improve life chances by contributing to preventing and tackling worklessness</u></li> <li>• Improve life chances by contributing to improving the education and skills of residents</li> <li>• Improve life chances by contributing to tackling poverty</li> <li>• Improve life chances by contributing to improving the health of residents</li> </ul>
<p>Successes to date</p>	<ul style="list-style-type: none"> <li>• One of only 12 authorities nationally to be appointed as CLG enhanced housing options trailblazer</li> <li>• Introduction of Southwark Homesearch, our straightforward choice-based lettings scheme</li> <li>• 163 under-occupying social housing tenants rehoused in 2008/09</li> <li>• 828 overcrowded households rehoused in 2008/09</li> </ul>

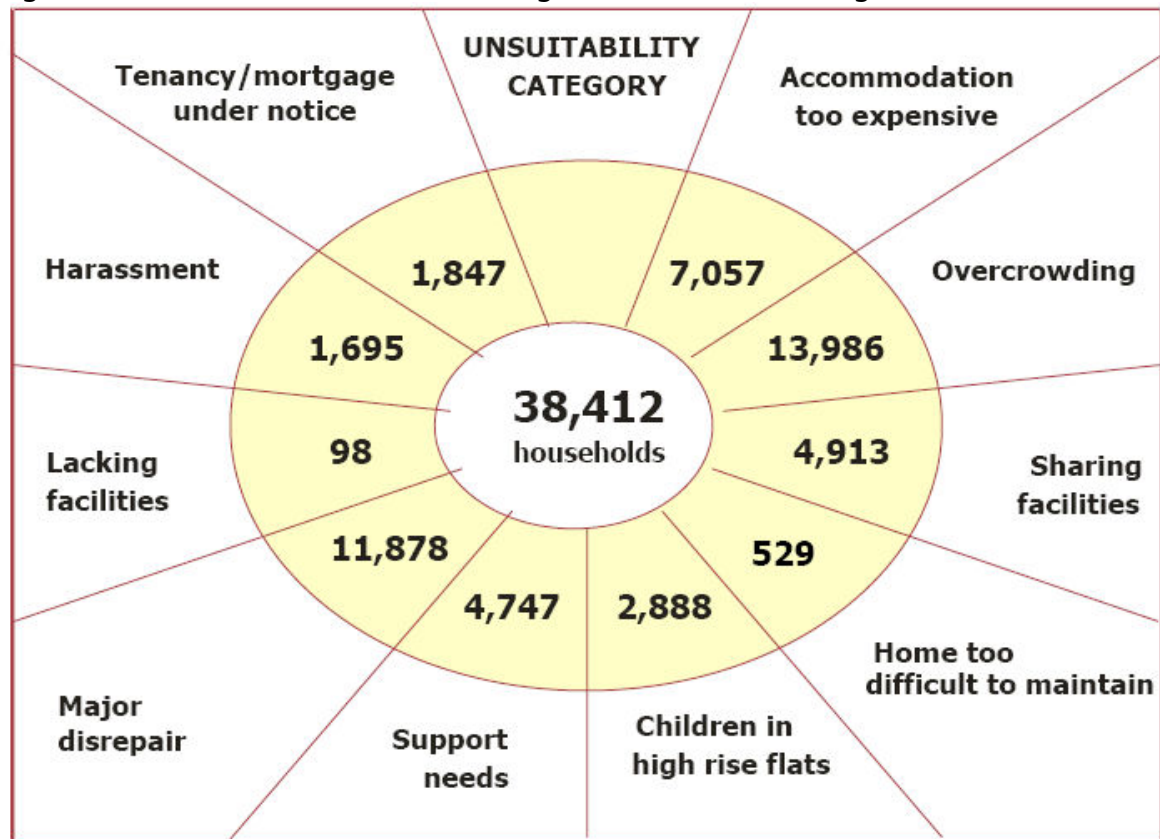
#### Why this objective?

We want Southwark to be a place that has good quality housing which contributes to improving the health of our diverse population at all stages of their lives. Residents' housing needs and aspirations change over time and their ability to meet their needs is constrained by income and the availability of the right housing product and/or housing services.

Southwark is a borough with very high levels of housing need in spite of the large size of our housing stock. Figure 7 shows the estimated number of households in housing need in the borough in 2008 in the Southwark Housing Requirements Study 2008 which uses CLG methodology. Table 5 shows the number of households on Southwark's housing register by assessed bedroom need for the

period 2004/05 to 2008/09. There is not an exact match between the Housing Register and the Housing Requirements Study data, but the Housing Register does give an indication of those who are actively seeking, and eligible for, social housing in the borough. The Housing Requirements Study extrapolates housing need projections on the basis of interviews with residents on their housing circumstances in all tenures.

Figure 7: Established households living in unsuitable housing



Source: Southwark Housing Requirements Study 2008

Table 6: Households on Southwark's housing register by bedroom need 2004/05 to 2008/09

	Total requiring 1 bedroom	Total requiring 2 bedrooms	Total requiring 3 bedrooms	Total requiring 3 + bedrooms	Total bed size requirement unknown	Total households on the register
2004/05	7117	4022	1875	914	28	13956
2005/06	7535	4111	2036	961	26	14669
2006/07	8042	4310	2218	962	81	15613
2007/08	7201	4198	2136	893	120	14548
2008/09	7714	4543	2232	904	193	15586

Source: Housing Strategy Statistical Appendix



Table 7: Number of households on the Southwark housing register in 2009 by priority bands 1–3 and by bedroom need <sup>36</sup>

	1 Bedroom	2 Bedrooms	3 Bedrooms	4 + Bedrooms	Totals
Band 1	215	329	112	45	701
Band 2	387	409	359	277	1432
Band 3	2245	2704	1408	525	6882

Source: Southwark Council internal data

The reality is that there will never be sufficient social housing in the borough to assist everyone with a housing need, no matter how many new homes are built. We will therefore continue to prioritise the most serious types of housing need under our lettings policy. Band 1 represents the greatest level of need, with bands 2 and 3 having lower levels of priority, and Band 4 having a wish to move, but no need to move. Table 6 above shows a breakdown of the Southwark housing register for each of the priority bands (bands 1 to 3) on the housing register, by bedroom need. Applicants registered in these 3 categories have an assessed priority to move. While applicants in band 4 have a wish to move, the mismatch between demand and supply means that we are generally not in a position to assist them with social housing, but we can provide advice about finding suitable accommodation.

The table below illustrates how long applicants on Southwark's housing register who were rehoused during 2008/09 had been waiting for rehousing.

Table 8: Waiting times for rehousing by band and bedroom category in months (households rehoused 2008/09)

Band	bedsit	1 bed	2 bed	3 bed	4 bed	5+ bed
Band 1	8	3	5	5	4	19
Band 2	2	3	3	7	15	18
Band 3	12	19	24	33	33	–
Band 4	18	3	61	1	–	–

Source – Southwark Council internal housing data

We will develop and promote a range of housing options for those with a range of needs and for those on a range of incomes. We must also look to the private rented sector to address the gap. To do so, we want to work effectively with private landlords to provide good quality, settled homes which people want to live

<sup>36</sup> People who are on the housing list are placed in band one, two, three, or four, depending on an assessment of need. Band one is the highest priority and band four is the lowest. This is explained further under the section on choice-based lettings.

in. We will also provide a range of advice and support to enable people to remain in their homes where they are at risk of losing them.

## Challenges

The main challenge for this objective over the duration of the strategy is how to balance competing rehousing needs and priorities. The regeneration of our estates creates in the short-term a high level of demand for rehousing for tenants who have to be relocated while the improvement works take place. We also have to meet our statutory and priority housing obligations, including Government targets to halve numbers in temporary accommodation, and tackle overcrowding. Failure to address these needs would result in increased levels of homelessness, increased temporary accommodation costs with serious implications for the Council's General Fund, and the risk of increased legal challenges, with their attendant costs.

Our aim is to achieve a balance between the priority of improving our stock and creating homes and areas where people want to live, with meeting our other priority housing obligations. To assist us in this objective we are developing a supply and demand model (as described in objective 2), which will enable us to make informed strategic decisions about regeneration of our housing stock, the availability of new and existing housing supply, and the impact on other housing priorities.

We are working in partnership with the G15<sup>37</sup> housing associations to increase housing supply for homeless and other high priority housing needs. We are also developing proposals for a common housing register with local housing associations; more information is provided on our plans later in this section.

### Housing options approach

We invested over £1m in our Homesearch housing options centre which opened in December 2007. Housing options advisers provide advice tailored to the person's individual circumstances, including: advice on retaining the client's existing home; assistance with renting a private sector property; advice on intermediate housing; and relative priority and average waiting times for social housing.

The reality is that the private sector is the most likely housing option for the majority of households who approach us for housing assistance. We therefore provide a package of financial advice and other services, such as fast-tracked housing benefit, to attract private rented sector landlords to work with us. We are

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<sup>37</sup> The G15 is a group of London housing associations.  
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also seeking to increase the number of accredited landlords in the borough, to improve standards in the sector and to provide reassurance to prospective tenants.

Southwark is one of 12 local authorities from across the country appointed as housing options trailblazers by the Department of Communities and Local Government. We are developing an enhanced housing options approach which encompasses employment, education and training advice via the Southwark Works programme, as well as outreach housing options and debt advice services. We believe that an approach which looks at the client's needs and aspirations is more likely to lead to a positive and sustainable housing outcome.

### Choice-based lettings

Our approach to meeting housing need also incorporates choice-based lettings. We introduced a choice-based lettings scheme and new lettings policy based on a simple banding system in 2005. This replaced a complex system where the prospective tenant had only limited say over where they lived and which we believe did not contribute to creating sustainable communities. The new approach has proved popular with housing applicants for its transparency and ease of use.

#### **Southwark Homesearch– the choice-based lettings scheme**

- The bidding telephone hotline offers the service in 14 languages
- The website [www.southwarkhomesearch.org.uk](http://www.southwarkhomesearch.org.uk) also offers information in 14 languages, and British Sign Language. It also provides a web translation service in a range of languages
- The site has a browse-aloud facility to assist people who have visual impairment
- We mail the Southwark Homesearch magazine direct to housebound applicants
- We have a small team within the Housing Options Service who support vulnerable/disabled applicants with the bidding process
- The telephone advice line provides bidding advice to all applicants
- Over 85% of bidders use the on-line bidding facility.

### Tackling overcrowding

As at April 2009 there were over 5,200 overcrowded households on Southwark's housing register, (3,870 using CLG's<sup>38</sup> overcrowding definition). Not all overcrowded households in the borough are registered on Southwark's housing

<sup>38</sup> CLG stands for Communities and Local Government  
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list as some may not be eligible to join, or may feel that they have little prospect of moving.

Southwark's Housing Requirements Study 2008 estimated that there are 13, 986 overcrowded households in the borough. The highest level of overcrowding was experienced in Southwark's own housing stock with 15% of council tenants, 12% private renters and 9% housing association renters being overcrowded.

Overcrowding has major impact on the health and wellbeing of families. Southwark's lettings policy gives priority to overcrowded households irrespective of their housing tenure, and gives additional priority to overcrowded households with additional needs, e.g. medical. Statutorily overcrowded households attract Band 1 (top) priority for rehousing. 828 overcrowded households were rehoused in 2008/09. We offer a range of financial and practical incentives to under-occupiers living in social housing to move to smaller accommodation. In 2008/09 we rehoused 163 under-occupiers under the 'Small is Beautiful' initiative, freeing up larger homes for those who need them.

We are using our CLG Overcrowding Pathfinder funding to help overcrowded social housing tenants who have voluntarily expressed a wish to move to the private rented sector. We assisted 15 overcrowded households to move to the private rented sector in 2008/09.

### Support for vulnerable people

The Council's Supporting People Strategy sets out the framework and priorities for housing support services for vulnerable households including older people, people with mental health problems, vulnerable young people, etc. The Housing Strategy does not seek to duplicate this, but reflects the need for vulnerable people to access suitable housing and services, and sustain independent living.

We have responded to the recent decision by the Supporting People Commissioning Body to reshape the in-house sheltered housing service to provide a 'hub' based approach to meeting the housing and support needs of older people. A recent decision by the Council's Executive to invest up to £250,000 in telecare and other assistive technology will enable more people to remain in their own homes.

We recognise that changing patterns in delivery of health and social care mean that demand for the traditional models of housing for older people will continue to decline, and there are also gaps in housing provision for older people with mental health problems, alcohol problems, etc. In response to this we will

develop a strategic approach to older people's housing which involves relevant partners.

We recognise that the majority of people with support needs would prefer to remain in their own homes. To minimise the need for people to have to move, we will endeavour to ensure that all new homes are built to lifetime homes standard, and 10% to wheelchair standard. We will also continue to provide adaptations to council homes and disabled facilities grants for private sector and housing association properties. We will explore the reasons for the 300% growth in demand for adaptations to housing association properties during 2008/09 with our housing association partners, as well as seek to identify sources of additional funding to meet this increased demand.

We will also continue to provide a handy person's scheme, providing practical assistance to older and vulnerable people to enable them to remain at home.

### **Partnership working with housing associations**

By 2011 we want to set up a joint housing register between the Council and a group of housing associations. A steering group is working on this. The key objectives are: equality of access irrespective of landlord or tenure; improved customer care through greater transparency and consistency for housing applicants; effective use of the choice-based lettings scheme as the process for delivery of this common approach, based on a simple classification system; housing association and the Council's highest priorities reflected in the scheme outcomes.

We are also working with SOUHAG<sup>39</sup> partners and through the sub-regional Perfect Fit scheme to promote and publicise measures to assist under-occupying housing association tenants to move to more suitable homes.

### **Sustaining home ownership**

Southwark has one of the lowest proportions of home ownership in the country. The main threat to sustaining home ownership at the moment is the economic downturn. Being out of work makes it much more difficult to afford mortgage payments. Households in these circumstances are at risk of losing their home.

Council tenants who want to buy their property through the Right to Buy or Social Homebuy have to carry out detailed financial assessments to prove they would be able to afford the monthly payments in the long run. Even so, some council

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<sup>39</sup> SOUHAG is the Southwark housing association group  
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leaseholders who bought their properties through the Right to Buy are now struggling to pay major works bills. We continue to work with these households and are able to provide a range of options for leaseholders in financial difficulty over payment of major works bills, including a low interest loan from the Council.

The Government has introduced a range of options to help homeowners at risk of repossession, including a mortgage rescue scheme. We will continue to monitor the effectiveness of these schemes and will work with housing associations to implement, where appropriate, any packages that will prevent homelessness, and encourage homeowners to seek financial advice. We will continue to provide a mortgage repossession advice and advocacy service at the County Court, through the Southwark Advice Agencies Forum.

### Providing options to access home ownership

Increasing the amount of home ownership in the borough will help us to achieve more mixed and balanced communities. There are currently many barriers for first-time buyers wishing to access the market. Average income per household in the borough is relatively low. While house prices have fallen, many first time buyers cannot afford to buy because they are unable to raise the large deposits required to obtain mortgages. This has also had an affect on homeowners further up the chain.

We need to encourage the development of affordable and sustainable home ownership options for households on a range of incomes as detailed in objective 2. The current financial climate has led to a slowing of new properties being built but it is hoped conditions will stabilise and improve over the next couple of years. By working with partners, like housing associations, we can deliver sustainable home ownership options for single households and households with families.

The Government has created a number of products to help people into home ownership over the last few years. There are currently many schemes involving shared equity or shared ownership currently available. Whilst this enables housing associations to offer a choice of products, it can make deciding which one is best confusing and may prevent some people from thinking about home ownership. Through our knowledge of the take up of products in the South East London sub-region and working in partnership with the Homebuy agent for south London, London and Quadrant Housing Trust, we will strategically target the best of these products at social housing tenants who have expressed an interest in home ownership. Some products like *Rent to Homebuy* are already proving to be more popular in London than others. If the products are taken up by existing social tenants the vacancies these households create can be used to rehouse households in need.

Southwark Council has led the way with Social Homebuy which enables council tenants to own a percentage of their council rented property. Southwark has completed more Social Homebuy sales than any other council. This scheme allows the Council to keep all the proceeds from the sale, whilst it can only keep 25% of receipts from a Right to Buy sale. Proceeds can then be invested back into the Council's housing stock.

## Our plans

### To enable choice while meeting housing needs we will:

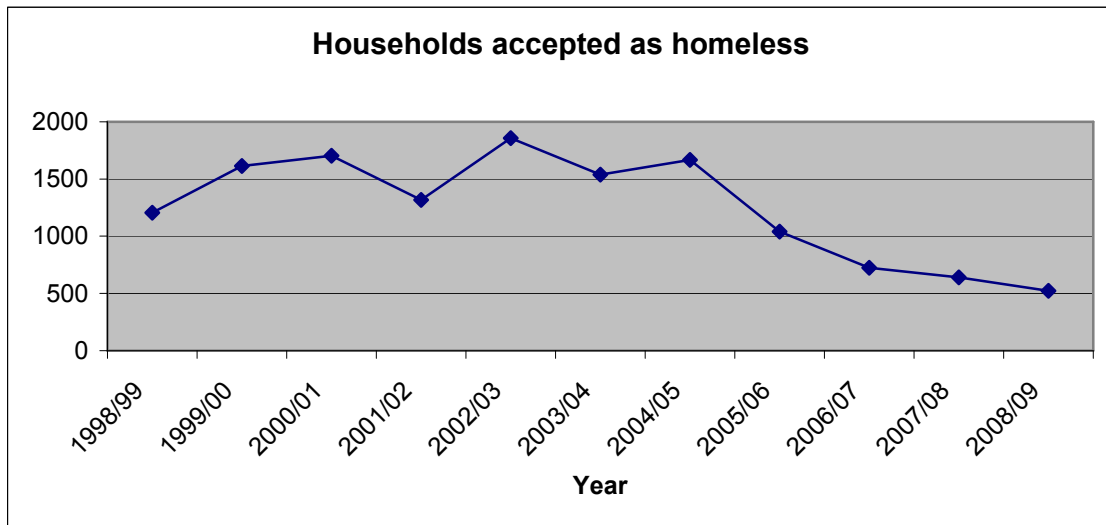
- Maximise the use of the private rented sector through effective regulation, and by providing a range of incentives to good landlords and assistance to prospective tenants
- Continue to give high priority, practical and financial assistance, to under-occupiers to move to a more suitable home
- Provide assistance with accessing employment, education and training opportunities as part of our enhanced housing options trailblazer programme
- Expand our choice-based lettings scheme to include disability and adapted homes
- Explore proposals for a common housing register with housing associations, maximising the use of all social housing in the borough by 2011
- Provide floating support, disabled facilities grants and adaptations, and other measures such as 'Handy Persons' schemes to enable vulnerable tenants to remain in their homes
- Develop a co-ordinated approach to older people's housing
- Review Southwark's sheltered housing provision to ensure it meets the needs of those with higher support needs (mental health/alcohol misuse etc.) and expand provision of extra care sheltered housing
- Give a higher priority through the economic downturn to supporting people to maintain home ownership while continuing to try to enable more people to take up home ownership options where they can afford it.

### Objective 4: Prevent homelessness and reduce the use of temporary accommodation

<p>Priorities (key priorities underlined)</p>	<ul style="list-style-type: none"> <li>• <u>Maximise opportunities for homeless prevention</u></li> <li>• <u>Reduce the use of temporary accommodation</u></li> </ul>
<p>Successes to date</p>	<ul style="list-style-type: none"> <li>• As a result of reshaping our services to move from a crisis intervention to a homelessness prevention service, homelessness acceptances have reduced from 1,703 in 2000/01 to 522 for 2008/09 (see figure 8 below)</li> <li>• Temporary accommodation numbers peaked at over 1,300 households in 2006/07, but then fell to 1,161 households in 2007/08 and 909 in 2008/09</li> <li>• Southwark were regional champions for London for our multi-agency, 'whole systems' approach to tackling youth homelessness in 2008/09</li> <li>• Nil use of bed and breakfast for homeless 16/17 year olds other than in an emergency achieved in 2007 in advance of the 2010 target and has been sustained, down from a high level.</li> <li>• 689 homeless and potentially homeless households assisted with accessing accommodation in the private rented sector via our Housing Options service in 2008/09</li> <li>• Homelessness due to domestic violence reduced due to successful multi-agency working and innovative service provision. 156 households were accepted as homeless for this reason in 2004/05. This had reduced to 41 by the end of 2008/09</li> <li>• Southwark Council was awarded £95,835 for 2009/10 from the Migration Impacts Fund to tackle rough sleeping and anti-social behaviour amongst A10 migrants.</li> </ul>



Figure 8: Number of households accepted as homeless during 1998/99 to 2008/09



### Why this objective?

Homelessness is damaging to individuals, to families, and to society as a whole. We also believe that homelessness is often preventable if given the opportunity to intervene early. Our aim is to implement a long-term, sustainable approach to tackling homelessness which is integrated with our housing options approach.

We give a high priority to preventing homelessness wherever possible. This will reduce the requirement for the temporary accommodation which is used to house homeless people awaiting an assessment, and those for whom we have a statutory responsibility to find settled accommodation.

In recognition of the impact of homelessness on the lives of our residents we have incorporated two of the Government's homelessness targets into our Local Area Agreement:

- To halve the number of households in temporary accommodation by 2010
- To eliminate the use of bed and breakfast for 16/17 year olds other than in an emergency.

Although Southwark has made considerable progress in tackling homelessness there are a number of challenges and emerging issues facing us.

## Challenges

### Meeting temporary accommodation targets

In recognition of the difficulties of achieving the target to halve numbers in temporary accommodation at the same time as meeting our targets to regenerate our estates, Southwark has been granted an extension to the target by CLG until December 2010. Our target is to have no more than 458 households in temporary accommodation by December 2010. We have made reductions in our temporary accommodation population over the last year and a half, which had initially risen, as anticipated, after the introduction of our new lettings policy and choice-based lettings. Numbers in temporary accommodation increased to 1,367 at the end of December 2007 but reduced to 909 households as at the end of March 2009, against a year end target of 990. However sustaining this progress could become increasingly difficult should homelessness presentations increase as a result of the economic downturn.

### Uncertain future for CLG homelessness grant

A significant proportion of our homeless prevention initiatives are funded through CLG homelessness grant, particularly the Finders Fee scheme– which provides financial assistance to homeless and potentially homeless households to secure accommodation in the private sector. Southwark has been very successful in assisting such clients through this initiative, with 689 households taking up this opportunity during 2008/09. The long-term future of this grant is uncertain.

### Challenging targets on rough sleeping

The Government's new target to reduce rough sleeping to as close to zero as possible by 2012 also presents a challenge. After an initial reduction, and then broadly stable rough sleeping numbers, 2008/09 saw an increase in rough sleeping from A10<sup>40</sup> and other European nationals. However there is some additional funding associated with this target, and Southwark will be using its allocation to prioritise early intervention and prevention of rough sleeping, working in partnership with St Mungo's, Manna Society, St Giles Trust and others.

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<sup>40</sup> The A10 states are Poland, Lithuania, Latvia, Slovenia, Slovakia, the Czech Republic, Estonia and Hungary, Romania and Bulgaria.

## The end of Supporting People fund ring-fencing

Following the Government's decision to end the ring-fencing<sup>41</sup> of Supporting People budgets, it is likely that Supporting People eligibility criteria will be more closely aligned with those for health and social care. This could reduce the supply of supported accommodation for vulnerable homeless people who have lower needs than those required for social care, but who may still be owed a statutory homeless duty. There have also been cuts in Southwark's Supporting People budget and further cuts are expected in 2010/11. Any increase in the provision of temporary accommodation for vulnerable households would have to be funded through the Council's General Fund. We will work closely with colleagues in Supporting People and service providers to minimise any impacts on vulnerable households.

## Changes to the temporary accommodation subsidy regime

There are also planned changes to the temporary accommodation subsidy regime, which will impact on the Council's private sector leasing and bed and breakfast schemes. The implications of these changes are currently under consideration.

## Ensuring a sustainable approach

Through changes in our lettings policy, investment in our housing options approach and homelessness prevention initiatives, we are trying to change any perception that a homelessness application is a fast-track to a social housing tenancy. In the longer term, we want to ensure that homeless people, and those at risk of homelessness, have access to education, training and employment services which will reduce their risk of homelessness in the future, as well as improving their prospects and those of their families.

### Example of good practice

#### Tackling domestic violence– our sanctuary scheme

In the past four years over 200 victims of domestic violence, rape and homophobic hate crime have been assisted to remain in their homes in safety via the Southwark sanctuary scheme run by Victim Support Southwark. Comparisons with other London and sub-regional sanctuary schemes show that Southwark's scheme is unique in combining integrated risk assessment, practical measures to make the home safer, and support and advice services provided by Refuge's floating support service for victims of domestic violence commissioned by Supporting People.

<sup>41</sup> Ring fencing is where the use of resources is restricted for a specific purpose  
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## Our plans

### To prevent homelessness and reduce the use of temporary accommodation we will:

- Provide a range of housing options and homeless prevention initiatives, including financial assistance for clients to access the private rented sector
- Engage with housing associations in strategic working to prevent homelessness, including exploring the G15 housing associations'<sup>42</sup> homelessness offer to the borough in more detail
- Working with the South East London housing associations preventing homelessness group
- Continue to prioritise overcrowded households under the Council's lettings policy as overcrowding is a cause of homelessness
- Provide a range of support and housing options services for victims of domestic violence, including a sanctuary scheme for those who wish to stay in their home safely
- Prevent homelessness due to rent or mortgage arrears through providing a range of advice and support
- Provide tenancy sustainment services for those at risk of losing their homes
- Provide integrated prevention, assessment and support services for young homeless people, and those at risk of homelessness
- Develop schemes to convert temporary accommodation into settled accommodation
- Become part of the South East London settled homes initiative to produce more long-term homes for homeless families
- Involve service users in the development of homeless services
- Ensure that homeless and potentially homeless households have access to education and support services as part of our housing options trailblazer work, and the planned development of an Employment Academy by partner agency Thames Reach
- Continue our successful qualifying offers initiative which provides settled private sector homes managed by housing associations for homeless households
- Work in partnership with Children's Services to prevent youth homelessness
- Work pro-actively to minimise any impact on vulnerable homeless people as a result of changes in the Supporting People regime
- Tackle rough sleeping through working in partnership with a range of providers, prioritising early intervention and prevention.

<sup>42</sup> The G15 is a group of London housing associations  
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## 3.0 Resourcing the Strategy

### The Council's housing investment programme

The housing investment programme sets out what resources we think will be available to the Council over the next seven years and how we will allocate them to key areas including:

- Meet the target of delivering the Southwark Decent Homes Standard to Council tenanted stock
- Our commitment to major regeneration schemes, and major schemes within the Housing Revenue Account (HRA<sup>43</sup>)
- Improving the condition of private sector homes where possible
- Reducing the number of empty homes in the borough
- Area renewal – for both Southwark's, and private, stock
- Contributing to building new affordable homes, through the 'Hidden Homes' programme, affordable housing fund, and potentially, new build council housing
- Maintain other types of accommodation such as temporary accommodation hostels, sheltered housing and travellers' sites.

The resources available to the housing investment programme are a combination of grant and supported borrowing from the Government and Southwark's own resources i.e. capital receipts and a revenue contribution to the HRA. It should be noted that the Government has announced its intention to dismantle the current system of financing council housing and replacing this with a devolved, self-financing system under which authorities would retain all rent and housing capital receipts, and all council housing debt (£18 billion), would be redistributed across councils in England on a one-off basis according to a formula. However these proposals are currently insufficiently developed to assess the implications for Southwark at this stage.

The largest part of the programme is delivered through the HRA as investment to the Council's stock, resourced through both capital and revenue contributions. A new base-case review of the resource allocations and investment needs will be carried out in 2009, on completion of the new stock condition survey update. This will look at the resources needed for commitments including the Southwark Decent Homes Standard, the major schemes and the Council's landlord obligations. We will look at how to achieve a balance between revenue spending

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<sup>43</sup> The Housing Revenue Account (HRA) is the Council's landlord account and is 'ring fenced' for this purpose. Income to the HRA is mostly generated by the rents and service charges paid by tenants and leaseholders, while expenditure is on the management and maintenance of the Council's housing stock

and investing in improvements to the stock; with this level of investment prioritised against the delivery of our major schemes, where Southwark has to use its own resources.

The smaller part of the programme is non-HRA investment, funded through the General Fund (GF) and government grant, such as disabled facilities grant.

The strategy for determining allocations to our investment needs is determined by:

- The Council's Corporate Plan – identifying both government and corporate priorities such as Decent Homes
- The Council's capital investment strategy which sets the framework for allocation of capital resources across the whole council and is geared to delivering the Corporate Plan priorities. The capital programme is reviewed by the Executive on a six monthly basis
- The Council's asset management plan which ensures best value for money for all the Council's assets, including both a capital and revenue assessment of our property to achieve 'best considerations'
- Priorities within our Housing Strategy and resource allocation through the housing investment programme group, linked to outcomes and outputs.

The Council's Decent Homes Review was agreed by the Council's Executive in April 2008. It revealed that we do not have enough resources to meet all the investment needs of our stock and the aspirations of our residents. We therefore need to maximise resources available by:

- Making bids to the HCA for funding to deliver our major schemes; this could also include access to grant for the direct provision of affordable housing through the HRA.
- Lobbying Government and the GLA to fund key areas of work such as delivering Southwark's Decent Homes Standard.
- Arguing for a positive impact for Southwark in relation to the of the housing subsidy review via the current consultation process, and potentially linked to this – lobbying government in relation to the level of grant allocated to Southwark.
- Supporting bids by our partner Registered Social Landlords to develop affordable housing
- Development of an asset review board to assess both the maximisation of capital receipts from our assets and consideration of wider priorities within both the Corporate Plan and this Housing Strategy
- Using the Council's capital allowance to re-invest 100% of receipts within regeneration areas and the Council's stock

- Sale of some stock, including through social homebuy to raise receipts
- Efficiency savings where possible through the delivery of the investment programme.

### Key issues and risks

The 'single conversation' is the process that authorities now have with the HCA about stock investment and delivery of affordable housing. This includes:

- The potential ability for local authorities to access grant to build
- The recent changes brought about by the credit crunch will have severe implications in relation to investment in Southwark
- Bridging funding gaps to deliver our major schemes
- Capital receipts expected from our major schemes that are likely to be both reduced and delayed which may have a direct impact on the delivery of the housing investment programme and delivery of our Southwark Decent Homes standard.
- The ability to raise receipts from the sale of stock to fund both the Southwark Decent Homes Standard and the Hidden Homes Strategy.
- Continuation of the supported borrowing element to deliver the Decent Homes programme beyond 2010/11
- Adverse consequences of any review of public spending through the comprehensive performance review
- Ability of the construction industry to gear up to any market changes.

**Housing investment programme 2009 to 2016** – The tables below set out the funding we anticipate and the housing investment programme for the next seven years. The programme is reviewed and updated regularly.

Table 9: Investment programme – indicative resources (£m) – (Sept 2009 estimate)

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Resources for HRA							
Credit approvals	12.526	12.526	0	0	0	0	0
Grants & contributions	8.009	1.260	0.310	0	0	0	0
Capital receipts	29.014	21.727	35.656	36.100	43.040	12.000	10.000
Major repairs allowance	33.478	47.080	36.763	38.302	38.660	39.046	39.437
Revenue contributions	16.526	17.211	13.683	13.698	13.715	14.081	14.161
Resources for non-HRA							
Affordable housing	0.915	0.915	0.000	0.000	0.000	0.000	0.000
Private housing renewal	6.913	6.056	4.300	3.515	3.515	3.515	3.515
Travellers sites	0.300	0.465	0.002	0.828	0.000	0.000	0.000
Total	107.682	107.242	99.140	92.443	98.930	68.642	67.113

*Notes to indicative resources table*

- Credit approvals – the expected allocation of credit approvals made on a formula basis annually by GLA/CLG, mainly for bringing council homes up to the Decent Homes Standard, is unconfirmed beyond 2011, so not included beyond 2010/11.
- Grants – includes some government grants, energy grants from partners, and the council's affordable housing fund
- Major repairs allowance – allocated on a formula basis by government for spending on council homes only
- Revenue contributions – all HRA contributions. This includes approximately £7 million per year allocated to external decorations which may be used partly as a contribution to the investment programme and therefore needs to be taken into account
- Capital receipts – includes receipts from land sales associated with schemes within the programme, and capital receipts allocated from the council's pooled receipts

Table 10: Investment programme – indicative allocations (£m) – (Sept 2009 estimate)

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Allocations for HRA							
Major regeneration schemes	35.970	33.685	40.154	4.515	4.115	4.306	4.306
Receipts to be allocated	0	0	0	30.400	40.100	9.5	8.00
Decent homes	40.000	40.000	40.000	40.000	40.000	40.000	40.000
Individual properties	5.055	4.000	3.500	2.500	2.500	2.500	2.500
Landlord obligations	13.307	17.836	8.280	7.200	7.200	7.200	7.200
Other	5.150	4.207	2.818	3.799	1.415	1.415	1.415
Allocations for non-HRA							
Affordable housing (RSLs)	0.915	0.915	0.000	0.000	0.000	0.000	0.000
Travellers sites	0.300	0.466	0.018	0.828	0.000	0.000	0.000
Private housing renewal	6.914	6.056	4.300	3.515	3.515	3.515	3.515
Total	107.611	107.165	99.070	92.757	98.845	68.436	66.936

*Notes to indicative allocations table:*

- Major regeneration schemes – the largest part of this allocation is accounted for by schemes on East Dulwich, Friary and Elmington estates and contributions to major projects such as Heygate and Aylesbury.
- The Council is anticipating significant capital receipts to be available from 2012. At the point of confirmation these receipts will be allocated to our Decent Homes programme and also major schemes –e.g. Aylesbury, subject to the relevant decision-making processes
- Decent Homes – the bulk of the allocation is for works to meet Southwark's Decent Homes Standard, and other programmed priority works. External decorations works are included in some contracts



- Schemes on individual properties – the bulk of the programme is for the major voids<sup>44</sup> programme, works to acquired street properties and the capital element of the adaptations programme
- Landlord obligations – the largest part of the programme is accounted for by lifts replacement and refurbishment, rewiring in tenants' homes and communal areas, heating improvements and replacement and tank/tank room refurbishment and replacement
- Housing renewal – this covers grants for improving private sector housing (including disabled facilities grants), housing group repair schemes and environmental works in renewal areas
- Affordable housing – The 'sequential' test must be applied to the provision of affordable housing. In most cases affordable housing must be provided on-site. Where the developer demonstrates through a financial appraisal that this is not viable, then the affordable housing may be provided off-site. Where this is also not viable, as demonstrated through a financial appraisal, the affordable housing will be made as a payment in lieu.

**Ongoing issues** – Meeting Southwark's Decent Homes Standard for all Council tenanted stock is a key priority for the council. Capital receipts are key to the delivery of this priority, however with the current market conditions (2009), a number of our assumed receipts from major schemes have been delayed, and potentially reduced. New receipts however will be identified from the sale of some of our assets, both land and stock. At the time of writing, the implications of the tragic fire at one of the Council's blocks in Camberwell, which was built in 1959, have not been fully assessed. What will come out of the strategic decision on the future both of this block, and potentially any similar blocks, within Southwark will have a direct impact on the investment programme.

### **Delivering the investment programme**

The Council reports to Communities and Local Government (CLG) each year on our performance in delivering the housing investment programme<sup>45</sup>. A range of measures are in place to ensure delivery of the investment programme including reporting to the Corporate Capital Programme Group, management through the Investment Programme Group (IPG) and individual programme monitoring. The IPG's members are from the key areas of programme delivery for both the HRA and GF housing schemes and Financial Management Services. The IPG has strategic responsibility for monitoring, and ensuring delivery of the investment programme.

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<sup>44</sup> Major voids describes those empty council homes which need significant investment

<sup>45</sup> This is information included in the annual Housing Strategy Statistical Appendix (HSSA). Copies of recent HSSAs are on the council website.

## New affordable housing programme

**Social housing grant** – The biggest source of funding for new housing is allocated as social housing grant to housing associations by the Homes & Communities Agency (HCA) through their National Affordable Housing Programme. The council works closely with the HCA including holding a quarterly “single conversation” to discuss existing and future affordable housing programmes and priorities for investment. Currently our priorities are for larger homes, our regeneration areas and housing for vulnerable people which meets the priorities of Southwark’s Supporting People Strategy.

With the boroughs of Bexley, Bromley, Greenwich and Lewisham we agreed broad investment priorities for the south east London sub-region with the Housing Corporation (as it was known at the time). However, ultimately the HCA’s resources will be directed to schemes which are deliverable. Southwark has a good track record for deliverable schemes. This is because joint working between housing and planning officers has put robust enabling structures in place to ensure affordable housing schemes are ready to go on site as soon as funding becomes available. As a result, in recent years Southwark has benefited from around £30 million annual investment from the HCA and we are assuming similar levels of investment in future as we still have development opportunities in the borough.

**Section 106 agreements** – Affordable housing can also be secured as part of private developments through planning agreements known as Section 106 Agreements. Until recently, we had been successful in delivering an increasing number of affordable homes through planning agreements without the need for public subsidy, leaving public subsidy to generate new affordable housing elsewhere. However, in the current economic climate social housing grant has been allocated to schemes where it has been shown by an economic appraisal that the schemes need public subsidy to deliver the required levels of affordable housing. This will be kept under review as the economy revives.

We are:

- Working in partnership with the HCA to ensure the development of affordable housing is kept buoyant in the current economic climate and address potential availability of HCA resources in the next funding cycle
- Working with our developing housing association partners to ensure the quality of new affordable housing units
- Looking at barriers to people accessing intermediate housing and options for increasing the flexibility of this tenure, so that it can continue to contribute to diversity in the provision of affordable housing.

## 4.0 Delivering the strategy

We will measure our progress against the key strategic objectives and priorities through the key measures of success in the table below. These will be monitored via the Southwark Housing Strategic Partnership and through the Annual Monitoring Return. These success criteria will be reviewed and updated as necessary on an annual basis.

<p><b>Sustainable Communities Strategy – Southwark 2016 objectives:</b> Improving individual life chances, making the borough a better place for people, and delivering quality public services.</p> <p><b>Southwark Housing Strategy – Vision:</b> To improve residents’ lives by providing high quality homes and housing services that promote successful and inclusive communities.</p>	
<b>Key strategic priorities</b>	<b>Our success criteria</b>
Making the borough a better place for people (Sustainable Communities Strategy)	<ul style="list-style-type: none"> <li>• Increase customer satisfaction with the Council’s landlord services to 65% by 2010, and increase satisfaction levels beyond this</li> </ul>
Provide high quality homes in attractive environments, particularly in our growth areas (Core Strategy)	<ul style="list-style-type: none"> <li>• Conduct a strategic housing land availability assessment (SHLAA) – 2009/10</li> <li>• Provide homes that are affordable on a wide range of incomes and monitor through the Annual Monitoring Return</li> <li>• Provide a choice of homes in different areas</li> </ul>
Providing high quality homes and housing services that promote successful and inclusive communities (Housing Strategy vision)	<ul style="list-style-type: none"> <li>• Provide different amounts of new affordable and private homes in different areas to increase tenure mix, including: <ul style="list-style-type: none"> <li>○ 35% minimum affordable housing on all major developments</li> <li>○ Minimum of 35% private housing in specific wards with high concentrations of affordable housing</li> <li>○ Maintain the existing 70% social rented/30% intermediate affordable housing split in most of the borough</li> </ul> </li> <li>• Develop effective site appraisal tool 2009/10</li> </ul>

Objective 1: Improve the quality of existing housing and use it more efficiently	
Bring council homes up to the Southwark Decent Homes Standard	<ul style="list-style-type: none"> <li>Carry out works to bring 2000 council homes a year up to the Southwark Decent Homes standard, over the next 5 years</li> </ul>
Use existing assets better to meet changing needs	<ul style="list-style-type: none"> <li>Develop a robust programme for under-utilised HRA assets, linked to the SHLAA, including delivery of at least 12 'Hidden Homes' in 2009/10 and 30 in 2010/11</li> <li>Minimum of 160 under-occupying tenants assisted to move to a smaller home per annum</li> <li>Identification of HRA sites for development</li> </ul>
Bring empty homes back into use	<ul style="list-style-type: none"> <li>The number of non-local authority (LA)-owned vacant dwellings returned to occupation- 130 per annum (<b>LAA local target</b>).</li> <li>Reduce void turnaround in council homes to 30 days (2009/10), and below this in subsequent years</li> </ul>
Improve the energy efficiency of homes in all tenures	<ul style="list-style-type: none"> <li>(See also Southwark Decent Homes target)</li> <li>Provide loft and cavity wall insulation to 14, 000 council homes over the period 2009/10-12</li> <li>The number of private sector dwellings within which a category 1 excess cold hazard is removed per annum of 150 in 2009/10, 160 in 2010/11 and 170 in 2011/12 subject to review at the end of year 1.</li> </ul>
Improve and maintain the quality of private housing	<ul style="list-style-type: none"> <li>Establish private sector housing steering group and develop private sector Housing Strategy</li> <li>Hold an annual private landlord forum</li> </ul>
Objective 2: Increase the supply of good quality housing	
Increase the housing supply, particularly of family sized homes	<ul style="list-style-type: none"> <li>1,630 new homes (all tenures) per annum- (<b>LAA target NI 154</b>)</li> <li><b>2,215 affordable homes (2008/09-2010/11) (LAA target NI 155)</b></li> <li>2,453 gross supply of social housing 2008/09-2010/11 (<b>GLA new target</b>)</li> <li>Developments of 10 or more units must have: <ul style="list-style-type: none"> <li>At least 60% 2 or more bedrooms</li> <li>At least 30% 3, 4 or 5 bedrooms. This must be split between private, social and intermediate housing</li> <li>Within the Elephant and Castle Opportunity Area at least 10% must have 3, 4 or 5 bedrooms</li> <li>A maximum of 5% as studios and only for private housing</li> </ul> </li> <li>10% of new homes developed to full wheelchair</li> </ul>

	standard
<b>Objective 3: Enable choice while meeting housing needs</b>	
Enable options for renting in a high quality private rented sector	<ul style="list-style-type: none"> <li>• Participation in the London Landlords Accreditation scheme, and provision of incentives and support to accredited landlords</li> <li>• Provision of support to enable high priority housing applicants to access or retain private rented sector tenancies</li> <li>• Enforcement action against bad landlords where other measures have failed</li> </ul>
Provide options to sustain home ownership	<ul style="list-style-type: none"> <li>• Provide financial appraisals for applicants for shared ownership, social home buy and right to buy schemes</li> <li>• Provide housing advice and a range of options for home owners at risk of repossession</li> <li>• Develop range of affordable intermediate housing products</li> </ul>
Improve life chances by contributing and tackling worklessness	<ul style="list-style-type: none"> <li>• Provide advice on employment and training as part of enhanced housing options approach</li> <li>• Provide employment, education and training advice to homeless young people as part of the integrated youth homelessness team</li> <li>• Enable local labour and training schemes through partnering contracts</li> <li>• Support partner agency Thames Reach in their development of a local employment academy</li> </ul>
Enhance social housing options	<ul style="list-style-type: none"> <li>• Southwark and partner housing associations to develop proposals for a common housing register – 2009/10</li> </ul>
Ensure the right types of housing for an ageing population, supporting independent living	<ul style="list-style-type: none"> <li>• Develop older people's housing strategy 2010/11</li> </ul>
<b>Objective 4: Prevent homelessness and reduce the use of temporary accommodation</b>	
Maximise opportunities for homeless prevention	<ul style="list-style-type: none"> <li>• Provide a range of options and advice to prevent homelessness</li> <li>• Nil use of bed and breakfast for homeless 16/17 year olds other than in an emergency (<b>LAA–local target</b>)</li> <li>• Reduce rough sleeping to as close to zero as possible by 2012</li> </ul>
Reduce the use of	<ul style="list-style-type: none"> <li>• Halve the number of households in temporary</li> </ul>

temporary accommodation	accommodation by December 2010 ( <b>LAA target NI 156</b> ) <ul style="list-style-type: none"><li>• Work in partnership with housing associations to implement the G15 homelessness offer</li></ul>
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## APPENDIX 1: Membership of the Southwark Housing Strategic Partnership

Membership of the group as at September 2009:

Southwark Council	Annie	Shepperd	Southwark Council	Chief Executive
Southwark Council	Kim	Humphreys	Southwark Council	Executive Member for Housing
Southwark Council	Simon	Bevan	Southwark Council	Planning and Transport Policy Manager
Southwark Council	Maurice	Soden	Southwark Council	Head of Housing Strategy and Regeneration
Housing Associations	James	Godson	Guinness Trust	Area Development Manager
Housing Associations	Sandra	Skeete	Peabody Trust	Customer Services Director
Housing Associations	Duncan	Howard	Southern Housing Group	Director
Housing Associations	Jacquie	Agyemang-Johnson	London & Quadrant Housing Trust	Development Manager
Housing Associations	Vacant		Supported housing rep	
Housing Associations	Neil	Mawson	Metropolitan Housing Trust	Assistant Director Regeneration
Housing Associations	John	Schofield	Family Mosaic	Director
Private Landlords	Martin	Skinner	Nice Group	Director
Private Landlords	Mary Ann	Pearce	National Landlords Association	Representative of National Landlords Association
HCA to be confirmed				
Council tenant rep	Ian	Ritchie	Southwark Group of Tenant Organisations	Member of Tenant Council
Leaseholder rep	John	Nosworthy	Leaseholder representative	Home Owners' Council
Private sector	Ben	Clarke	Private sector tenant	Private sector tenant
Voluntary sector	Chris	Sanford	Community Action Southwark	Chief Executive

### HCA/ LBS Single Conversation –Memorandum of understanding

**Context:** The (London) Homes and Communities Agency (HCA) and the London Borough of Southwark (LBS) share a joint commitment to deliver the London Plan housing targets through an agreed programme of new affordable housing within the Borough and bringing existing homes up to the decent homes standard.

This agreement sets out the basis of a working arrangement between the HCA and LBS which aims to identify and, where appropriate, accelerate the creation of affordable housing in the Borough over the next 3 years and stimulate the wider “place making” of communities within Southwark. It is not, however, intended to be legally binding and does not create a legally binding partnership

Collectively, the HCA and LBS are uniquely placed to achieve these goals – the HCA has funding by way of the National Affordable Housing Programme and other funding streams, LBS has significant land holdings and existing housing sites designated for redevelopment. In addition, both parties can play a role in catalysing private sector sites that have the capacity to deliver new homes and affordable housing but which may have stalled due to financial/ planning/ infrastructure /other barriers which require public sector intervention.

#### **Purpose**

The ways of working set out in this document are intended to facilitate a single conversation between the HCA and LBS which covers appropriate housing related activity in order that there is a clear and efficiently managed programme of work between the two organizations. Specifically the agreement is intended to;

- ensure that, during difficult economic conditions, an adequate housing pipeline is maintained in order that LBS and HCA achieve their quantity and quality targets for new housing in Southwark in future years (and in doing so have an overall positive impact on supply, demand and affordability).
- catalyse development on key regeneration sites – Elephant & Castle and Aylesbury Estate.
- Assist LBS to maintain an appropriate balance between generating capital receipts to balance the issues regarding LBS’s decent homes programme and the need to create new housing.
- maximise the opportunity of potential additional funding for sites within the geographical area of LBS from a significant short term increase in the available budget of the HCA’s national affordable homes and kickstart programmes.



### **Outcomes, Objectives and Milestones**

Both HCA and LBS are individually charged with creating sustainable communities and both have targets to achieve in relation to new homes. The agreement between LBS and the HCA is intended to help deliver against these corporate targets and more specifically achieve the following objectives through working together;

- To accelerate 09/10 “start on site” schemes by removing barriers to development.
- To help create a new homes pipeline for the next 3 years
- To establish a strong corporate relationship manifested in a “single conversation” between the 2 organisations.

A programme plan will be developed setting out how these objectives are to be met and this will include quarterly milestones.

### **Nature and Scope of Partnership**

The agreement represents the interface between the HCA and LBS for housing and related regeneration matters (i.e.: “the single conversation”) allowing oversight of a managed housing programme in Southwark. It is the means by which both organisations:

- discuss and review / agree priority sites within LBS area for funding/ intervention;
- agree strategic approaches on large area based schemes (e.g. E&C, Aylesbury). Consider investment requirements, joint interventions, current and upcoming funding opportunities;
- coordinate section 106 negotiations with HCA grant applications (and potentially land value, equity stakes and priority returns), using agreed viability testing where appropriate. Note that these actions will not impugn the obligations on and performance by LBS of its duties as a local planning authority;
- maintain up to date market intelligence;
- proactively signpost private sector owners/developers/ RSLs to available support through a transparent process;
- identify and agree means of removing other barriers to development (e.g.: infrastructure barriers);
- communicate with the market.

The single conversation includes other investment and housing refurbishment matters, in particular, achieving targets for Southwark’s housing stock to reach the Decent Homes Standard.

The agreement is intended to sit within and complement – rather than replace or duplicate - the existing decision making processes of both organisations. That is to say, the role of the working

agreement is to feed jointly agreed priorities into the respective decision making processes of both organisations and to translate the outputs from these processes into a new homes programme which is actively managed to ensure effective coordination during implementation.

The agreement will operate strategically through a programme board and operationally through usual day to day contact. LBS and HCA will together make available sufficient resources to enable successful delivery. [The coordination of the new homes programme and the programme board will be facilitated by a jointly appointed programme manager.]

### **Mechanics and Programme Board Role**

The diagram that follows illustrates how the programme board is likely to operate within the emerging LBS process of site assessment and disposal.

LBS is currently undertaking a rigorous review of land holdings in its area (the Strategic Housing Land Availability Assessment or SHLAA) and an asset review which will identify candidate sites for new housing, sites which should be refurbished etc. In turn, these will be caught by an overall process designed to improve the Council's investment decision-making across the Authority and its various functions to optimise corporate outturns.

This process effectively generates the new housing pipeline and is the basis of the new homes programme. In addition, there are housing sites currently in development via the property or major projects teams and these too are part of the new homes programme. Furthermore, the development control team is monitoring private sector housing developments, and where there are sites with a significant affordable homes element which are stalled or which have slowed these will also be brought into the new homes programme.

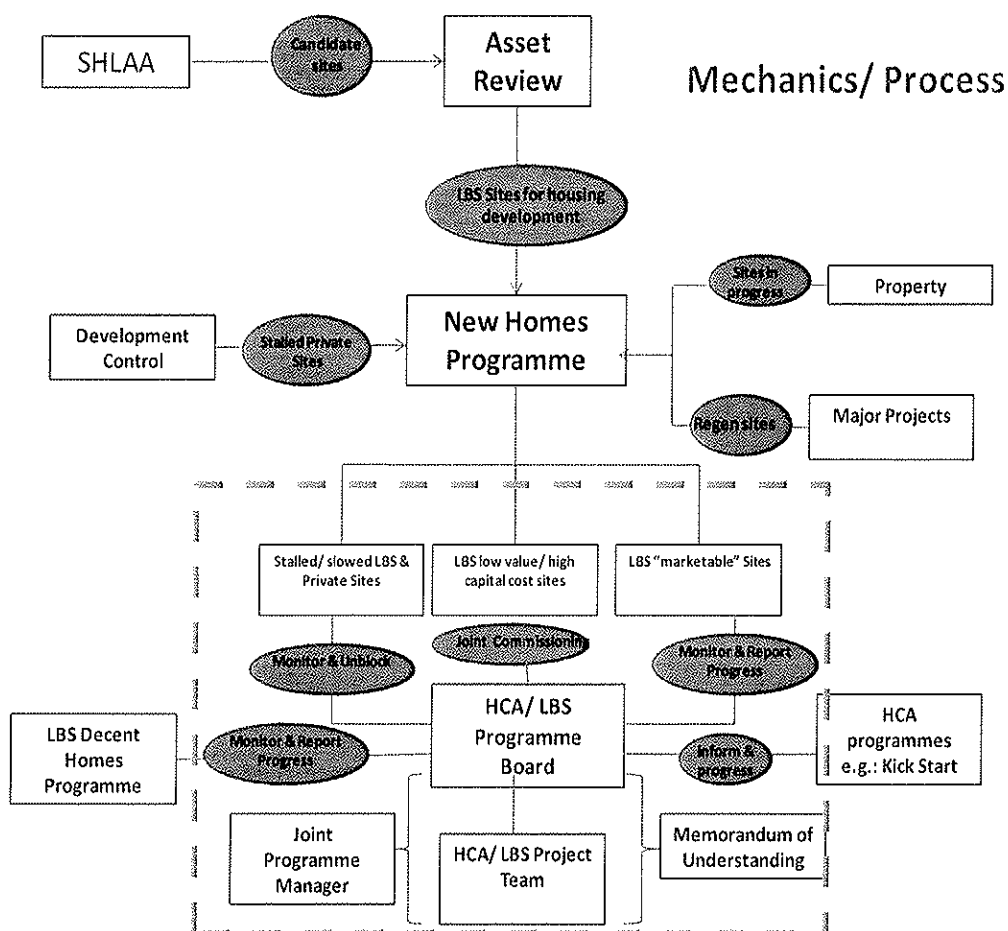
The programme board has an overarching role of facilitating the new homes programme however this is expressed differently depending on the nature of the site. At present there appear to be 3 categories of site which require different treatment;

- Privately and LBS owned sites – with potential to deliver significant volumes of affordable housing which could **start on site in 09/10** but which have slowed or stalled. Here the role of the programme board is to monitor these sites and unblock where possible.
- LBS owned sites which are "marketable" – i.e.: those which have a significant market value and can therefore be disposed via traditional disposal means (i.e.: sale with a development agreement). The role of the programme board is to receive progress reports and monitor the situation.
- LBS owned sites which are not readily marketable – i.e.: low value, high upfront capital cost, complex planning/ stakeholder issues (e.g. Aylesbury). These sites are likely to be difficult to dispose of via the traditional route and a different approach is likely to be needed to bring development forward in the short term. The programme board's role is therefore to identify an innovative means of bringing these sites forward and to oversee implementation. At present there is an option being considered whereby a portfolio of sites is generated and a panel of investors/ developers/ RSLs jointly procured to develop the

portfolio. Further consideration needs to be given to the pros/ cons of this approach by the programme board before a solution can be recommended to LBS for implementation.

Over time, sites which emerge from LBS' asset review process will drop into the new homes programme and may be treated as per traditional method or may be added to a portfolio for joint procurement (or indeed any other treatment that is required to accelerate development). The programme board may also play a role in "shuffling the deck" if targets are in jeopardy and reserve schemes could be moved forward.

The programme manager's role is to develop a programme plan and coordinate activity across the borough and also with the HCA to ensure the plan is delivered.



### Programme Board Membership and Frequency

The programme board will meet monthly and comprises;

- HCA London Regional Director
- HCA Deputy Director Investment

- HCA Senior Regeneration Manager
- LBS Chief Executive
- LBS Strategic Director of Regeneration and Neighbourhoods
- Jointly appointed Programme Manager

The joint project team shall comprise relevant individuals from LBS and HCA plus the programme manager.

**Duration and Review**

The agreement is intended to allow the overseeing of a new homes programme which is anticipated to be 3 years. A review of progress versus programme plan will take place regularly and the effectiveness of the arrangements will also be regularly reviewed.



<b>Item No.</b>	<b>Classification:</b> Open	<b>Date:</b> October 14 2009	<b>Meeting Name:</b> Executive
<b>Report title:</b>		Preferred Options for Elmington estate	
<b>Ward(s) or groups affected:</b>		Camberwell Green Ward	
<b>From:</b>		Strategic Director of Regeneration and Neighbourhoods	

## RECOMMENDATION(S)

That the Executive:

1. Agrees in principle that a mixed option of redevelopment and refurbishment to continue the regeneration of the Elmington Estate be pursued for the blocks identified in Table 1.
2. Agrees that sites F, H and J be retained and refurbished as part of the Housing Investment Programme.
3. Agrees the principle of redevelopment for blocks C, D, E and G and requests officers to prepare a detailed implementation programme.
4. Requests officers to carry out detailed consultation with residents on the implications of the mixed option, including likely timescale, rehousing proposals, impact of refurbishment, and issues for leaseholders.

## BACKGROUND INFORMATION

5. Executive agreed to establish a new strategic direction for the continued regeneration of the Elmington Estate on May 19 2009. It was agreed to seek to dispose of the two currently vacant sites at Elmington for housing development and to evaluate the feasibility of extending the redevelopment to the remaining low rise blocks at mid-Elmington, which are of a similar construction type to those blocks that have already been demolished. The disposal of the vacant sites is progressing, with marketing currently under way. The purpose of this report is to examine the potential for redevelopment of the remaining blocks.
6. The blocks have very significant investment requirements, partly because of their age, but also because of some of their design characteristics, and therefore present difficulties for the council and residents. The relevant blocks are listed below in Table 1 and shown on the map in Appendix 1.

**Table 1 – Mid-Elmington Blocks Under Consideration**

<b>Block</b>	<b>Name</b>	<b>Block</b>	<b>Name</b>
<b>1</b>	1-20 Houseman Way	<b>8</b>	1-24 Drayton House
<b>2</b>	21-29 Houseman Way	<b>9</b>	30-72 (evens) Lomond Grove
<b>3</b>	30-51 Houseman Way	<b>10</b>	1-20 Broome Way
<b>4</b>	29-59 (odds) Benhill Road	<b>11</b>	1-12 Flecker House
<b>5</b>	1-27 (odds) Benhill Road	<b>12</b>	1-22 Procter House
<b>6</b>	61-91 (odds) Brisbane Street	<b>13</b>	1-12 Flatman House
<b>7</b>	90-106 (evens) Benhill Road	<b>14</b>	1-14 Langland House

## KEY ISSUES FOR CONSIDERATION

7. There are a number of wider strategic priorities that are relevant in considering the way forward for Elmington:
  - Commitment to provide decent homes
  - Producing mixed and balanced communities
  - Enabling the development of new additional homes
  - Ensuring that new homes are high quality and provide a high proportion for families
  
8. At a local level, some of these factors are accentuated. There have been significant achievements towards the regeneration of Elmington Estate with the demolition of the former blocks and the new properties constructed to date. Furthermore, investment decisions in remaining blocks have been delayed and there is an outstanding commitment to rehouse the remaining Phase 1 households who expressed the option to return. It is also recognised that some of the blocks have received investment in recent years, and even though more work may be required, it would not be appropriate to consider them for redevelopment.
  
9. The options open to the council to address the poor condition of the blocks fall into three broad categories:
  - Retain the blocks and undertake a programme of investment over time to Southwark Decent Homes standards.
  - Redevelop the blocks by disposing of the sites on which they stand to a developer or RSL to produce mixed tenure redevelopment.
  - A combination of refurbishment and redevelopment, maximising the development opportunities of the sites of blocks 1 to 14 and refurbishing other blocks to balance the impact on the council's Housing Investment Programme.
  
10. Assessments have been carried out for each group of blocks against a range of factors to determine the most appropriate course of action. These factors are the condition of the existing blocks, the potential for redevelopment the financial impacts. In the following paragraphs, these factors are outlined in turn and then an overall assessment is undertaken. The blocks have been grouped because both redevelopment and investment would be undertaken to groups of blocks rather than individual blocks. The map at Appendix 1 also shows this packaging.

### Stock Condition considerations

11. Prior to the decision to undertake a feasibility study for the mid-Elmington blocks there had been ongoing consideration of the investment needs of Blocks 1 to 14. Blocks 1 to 6 were considered to be most in need of investment, and there had been a focus on blocks 4 and 5 which are in a particularly poor state of repair. Works estimates made in 2007 showed that the blocks have very costly investment requirements to bring them up to the Decent Homes standard. Preliminary discussions with residents had also questioned the merit of making that investment rather than pursuing a redevelopment strategy.
  
12. Works were undertaken to blocks 15, 16 and 17 in 2004/5. In the last 5 year housing investment programme agreed in 2006, blocks 1 to 14 were programmed for works to be completed by 2010/11. Blocks 6, 12 and 13 had been programmed for works by 2009/10. These blocks were chosen as priorities

for investment as they were known to be in a poor condition based on information from the borough-wide Stock Condition Survey (SCS) and repair history, and due to their proximity to the already refurbished blocks 15, 16 and 17. Block 14 was not included despite its close proximity to blocks 12 & 13 as its investment need was deemed not to be as urgent as those of blocks 6, 12 and 13 based on SCS information and its repairs history. Block 14 was not included despite its close proximity to blocks 12 and 13 as its investment need was deemed to be not as urgent as those of blocks 6, 12 and 13 based on SCS information and its repairs history.

13. As blocks 6, 12 and 13 had investment works already programmed Executive agreed in May 2009 that preparation for these works continue without passing the contractual commitment stage, while feasibility work is undertaken.
14. An further assessment of stock condition has been undertaken by Pellings, a building surveying and cost consultancy practice appointed specifically for the purpose. Pellings surveyed all blocks except 61-91 Brisbane Street, Procter House and Flatman House which had already been surveyed by the council.
15. Pellings have reported on the condition of a range of elements within the blocks, including an estimate of the expected remaining lifecycle for each of those elements, a schedule of works that would need to be undertaken in order to bring these homes up to the required standard, and an estimated cost for those works. They were also asked to prioritise the blocks by investment need based on an assessment of stock condition.
16. The report confirmed that some of the blocks' main elements, such as the walls, roofs, windows and chimneys were found to require significant investment, and that the poor condition is present across all blocks. Pellings highlighted some specific concern about the condition and safety of some of the windows in certain blocks, noting that the some of the timber frames have perished to a considerable extent and would require individual frame replacement. In accordance with the brief, the report provided a prioritisation of the blocks and indicative sequence for investment to take place.
17. Pellings' commission did not include blocks 15, 16 and 17 because investment work had been undertaken in the relatively recent past. However it is clear that further work will be required during the timescale of this project, particularly internally.
18. Pellings conclude that the total cost of refurbishing all 14 blocks would be just over £10m. Depending on the actual extent of works agreed, it may be necessary to rehouse residents to enable the works to be undertaken, such as works to address the presence of any asbestos.

### **Redevelopment Considerations**

19. An assessment has been made of the capacity of the various sites where the blocks currently stand for the number of new homes that could be built. As stated in paragraph 10, where the blocks are arranged closely together, they have been assessed in groups, as shown in Table 2, and Appendix 1.



**Table 2 – Redevelopment Potential**

Site	Blocks	Existing homes (leasehold in brackets)	Estimated new homes	New affordable homes (at 35% pro rata)
Site C	Housing Office	n/a	31	12
Site D	4 & 5	33(10)	46	16
Site E	1,2,3, & 7	62(9)	93	33
Site F	8	24(3)	35	12
Site G	9,10 & 11	53(11)	87	30
Site H	6	16(5)	44	15
Site J	12,13 & 14	48(6)	67	23
<b>Total</b>		<b>236(44)</b>	<b>404</b>	<b>141</b>

20. Any redevelopment would involve mixed tenure housing, partly to contribute to developing mixed and balanced communities, but also to generate capital receipts to cover the council's costs in the scheme. The receipts will be generated by disposal of the land to a developer or RSL, and the new affordable homes would be built and managed by an RSL.
21. A number of assumptions have been made about the density, tenure split and size mix of homes that could be provided on these sites. Conservative estimates have been taken of the density at which new homes could be provided, assuming a density of 600 habitable rooms per hectare, with buildings of 3-4 storeys. There may be a case for some higher buildings that would allow more homes to be built and would generate more capital receipts; this would be considered further if redevelopment or part redevelopment is adopted. The tenure mix has been calculated based on the emerging Local Development Framework Core Strategy. Of the estimate of new homes in Table 2, it has been assumed that 65 per cent of new dwellings will be private and 35% affordable. It has also been assumed that the affordable homes would attract a proportion of Homes and Communities Agency grant. Land valuations have been undertaken for the disposal of the blocks on the basis of the packaging and capacity above. The valuations arrived at for each site, are used in the net present valuations described in paragraph 28.
22. Redevelopment would be pursued on a phased basis. Construction of new homes on the currently empty sites A and B will provide some housing capacity to enable rehousing and redevelopment of the first blocks to follow. This sequence would then be repeated. Further parts could then be redeveloped in turn. Any proposals will need to take account of wider housing supply and demand issues, and the decant requirements of other regeneration schemes. The rehousing requirements arising from a decision to redevelop any block will be worked through the housing supply and demand model to ensure that the combined requirements of these and other regeneration schemes do not impact adversely on each other. It should be noted that refurbishment works may also result in a temporary rehousing requirement.
23. The tenure mix considerations in paragraph 21 must still be considered in light of the London Plan requirement that in regeneration schemes the new development that takes the place of demolished social housing must reprovide the same amount of affordable housing as was there originally. Assuming that redevelopment of all 14 blocks would yield in the region of 400 new homes at current projections there would be a loss of some 57 affordable homes, if new affordable housing was provided at 35%.

24. The draft Core Strategy currently makes provision for regeneration schemes where the full amount of affordable housing is not reprovided onsite. Should the preferred option of the Core Strategy be approved as being in general conformity with the principles of the London Plan then there would be clear local planning guidance in place that could enable development to go ahead. Discussions have been ongoing with the GLA the feedback to date is that the Core Strategy is in general conformity and that a definitive judgement will be issued by the 26 February 2010.
25. Following the completion of Phase 1 of the Elmington redevelopment, there is development activity taking place in the area. The Metropolitan Housing Trust is developing 42 new homes for social rent on Brisbane Street. Consideration is also being given to developing new housing on a garage site next to Masterman House on the northern edge of the estate, and the council is also working up development proposals for part of Southampton Way, including Beacon House and Sedgemoor Place hostel.

## **ANALYSIS AND CONCLUSIONS**

### **Summary**

26. A quantitative and qualitative assessment has been undertaken that compares the base case – to refurbish blocks - with the redevelopment option on the basis that to “do nothing” is not an option due to the condition of these blocks.
27. The quantitative (financial) assessment calculates the net present value of both options for each site using the forecast cash flows (costs and income) over a 15 year period. The results of the financial analysis have been moderated on the basis of three qualitative criteria and risks. These are:
  - Strategic fit – the extent to which the option supports/ fails to support strategic objectives
  - Stakeholder views
  - Deliverability - resources needed to deliver the option, availability of decant capacity, time frames needed to deliver.
28. The quantitative financial analysis alone shows that redevelopment of all blocks, except site J, provides the maximum NPV. The qualitative analysis also shows that redevelopment meets more of the council’s strategic objectives. However, to redevelop all blocks is not feasible against the deliverability criteria and carries more significant risks. Although the majority of residents who have responded to a recent survey favour redevelopment, there is strong support for refurbishment. Hence, a conclusion cannot be drawn on this criterion alone. Combining the quantitative financial analysis with both the qualitative analysis and the risk assessment leads to the conclusion that a mixed programme of redevelopment and refurbishment should be pursued.
29. What follows is a more detailed presentation of this analysis and a recommendation as to the specific blocks to redevelop and those which to refurbish.
30. Stock Condition Survey Conclusions: there are important financial implications arising from this survey as follows:

- All blocks require significant investment (e.g. walls, roofs, chimneys) to bring them up to the desired standard. In total this work is estimated at £10.18m. Hence, do nothing is not an option.
- If the proposed order of redevelopment/refurbishment is followed, urgent works will be required ahead of the programme on blocks 6, - 13 if redeveloped and on blocks 1, 3, 6, 8 and 13 if refurbished, in order to ensure they are habitable in the short term. In total this work is estimated to cost £1.76m for the refurbishment option and £1.06m irrespective of the decision to refurbish or redevelop.

### Option 1: Refurbish

31. This option would mean bringing all homes up to the required Southwark standard and – based on the stock condition survey – would require investment of £10.18m and take 4 years to complete, starting in 2011/12.

### Option 2: Redevelop

32. This would require demolition and the procurement of a developer/ RSL to redevelop the site/s. If all blocks were redeveloped in line with the council's emerging Core Strategy, and, taking a conservative assumption regarding the height of buildings, the result would be an additional 172 homes (as shown in Table 2). Redevelopment includes site C on which there is currently a neighbourhood housing office but no residential housing. The change in tenure mix would result in a net loss of 91 affordable homes but a more mixed, balanced community as well as an anticipated total land receipt in the order of £6.85m. All blocks would require permanent re-housing with the option to return and the decant capacity would be assessed and balanced with other schemes using the supply and demand model. Under this option, blocks would be transferred and managed by an RSL instead of the council.

### Quantitative Analysis

33. A robust project options analysis to assist in objective decision making for housing projects is being developed, with the support of KPMG. This work is well underway and will provide a quantitative framework for comparing options on the basis of their ability to meet corporate objectives, and financial analysis of the net present value of different options and a risk matrix to provide an overall cost/benefit analysis. While not yet completed, the main features of this approach have been incorporated in this analysis.

**Table 3 – Results of Financial Analysis**

Site	Blocks	£ NPV Refurbish	£ NPV Redevelop	Difference
D	1-27 (odds) Benhill Road	-£915,907	-£254,854	-£661,053
	29-59 (odds) Benhill Road			
E	1-20 Houseman Way	-£1,956,274	£805,701	-£2,761,975
	21-29 Houseman Way			
	30-51 Houseman Way			

Site	Blocks	£ NPV Refurbish	£ NPV Redevelop	Difference
	90-106 (evens) Benhill Road			
F	1-24 Drayton House	-£540,821	-£238,100	-£302,720
G	30-72 (evens) Lomond Grove	-£1,443,495	-£326,301	-£1,117,194
	1-20 Broome Way			
	1-12 Flecker House			
H	61-91 (odds) Brisbane Street	-£366,291	-£326,301	-£39,990
J	1-22 Procter House	-£324,085	-£712,738	£338,654
	1-12 Flatman House			
	1-14 Languard House			
TOTAL FOR ALL SITES		-£5,546,872	-£ 1,052,594	

34. In all cases, except site J, the NPV is highest for the redevelopment option; hence, the optimal NPV is achieved by redeveloping these sites. However, for sites F & H the differences are relatively small and are sensitive to changes in the model assumptions, such as the discounting rate applied.

### Qualitative Analysis

#### Strategic Fit

35. Table 4 compares the refurbishment option with the redevelopment option in terms of their ability to meet the borough's strategic objectives. This shows that the redevelopment option will meet more of the council's objectives than the refurbishment option by: increasing the supply of housing, generating a capital receipt, enabling the creation of mixed communities and will result in a stepped change in transforming the area in a way that refurbishment cannot achieve. Hence, on this criteria alone, the preferred option is to redevelop all sites

**Table 4 – Analysis of Strategic Fit**

Objectives	Relevant Target	Refurbishment	Redevelopment
Creating places where people love to live	Build affordable homes for people to rent or buy homes to be made Decent	Is in line with the decent homes priority	Is in line with the affordable housing priority
Everyone achieving their potential	Improve Primary school provision Provide employment training opportunities for 16 – 18 year olds	Community would benefit from contractors apprenticeship scheme	Community would benefit from contractors apprenticeship scheme
Promote healthy and independent living		Enable residents to remain in their homes	Has potential to provide better living conditions in terms of layouts and functionality
Valuing the Environment	Double recycling rates (to 30%) Per capita reduction in	Will improve insulation and provides opportunity for retro-	Provides opportunity to achieve Sustainable Homes

Objectives	Relevant Target	Refurbishment	Redevelopment
	CO2 by 6.7tonnes pa against baseline	fitting carbon reducing measures (not included in costs)	Code 4
Tackling the crimes that concern people most		Not applicable	Provides opportunity to achieve Secure by Design standards
Transforming public services	Overall satisfaction with Landlord services	Will resolve long standing repair issues	Will resolve long standing repair issues
Improve the quality of existing housing and use it more efficiently	Bring homes up to the Southwark Decent Homes standard Use existing assets to better meet changing needs	Is in line with the decent homes priority. However, may not meet changing needs or demographics	Provides opportunity to provide quality housing that is sustainable and creates a mixed and balanced community
Increase the supply of good quality housing	Increase the supply of housing, particularly family-sized homes.	Not applicable	Increases the supply of housing and provides opportunity to deliver more family-sized homes.
Enable choice while meeting housing need	Enhance social rented housing options Improve life chances by tackling and preventing worklessness.	Not applicable	Offers tenants opportunity to switch landlords
Prevent homelessness and reduce the use of temporary accommodation		Not applicable	Will provide additional supply of affordable housing that could help address housing demand.
Support delivery of the capital programme		This option will result in a net cost to the programme, and ongoing commitment.	This option will generate a net receipt to the programme.

### Stakeholder Views

36. Discussions have been ongoing with the Elmington (previously Mid-Elmington) T&RA residents about the redevelopment of blocks 4, 5 and 7 since 2005 when Phase 1 construction, and the demolition at Sites A and B were completed. From that time there has been strong support for this option. As a result of the May 19 decision, consultation events have been held with the Elmington TRA on September 9 and Poets Corner TRA on September 24. The Poets Corner TRA includes blocks 9, 10 and 11. Although not all of those attending the Elmington TRA consultation were from the blocks being considered, there was a strongly expressed view against redevelopment. Residents at the Poets Corner consultation, who were entirely from the effected blocks, largely accepted that redevelopment was the best option but concerned that their blocks would be last to go and wanted more information about the programme.
37. In addition to the consultation events, a survey was sent to residents of the 14 blocks under consideration and boards outlining the options were displayed in the reception area at the Harris Street housing office from September 10 to September 23 2009. The feedback, summarising responses agreeing with a

number of key statements is summarised at Table 5. The full results table is attached at Appendix 2.

**Table 5 – Survey Responses**

<b>Statement</b>	<b>Total</b>	<b>No. Tenants</b>	<b>No. Leaseholders</b>	<b>Box left blank</b>
Total Respondents	59	45	5	9
Refurbishment to Southwark's decent homes standard is the best option for my block	24	19	2	3
Demolition and redevelopment is the best option for my block	37	27	3	7
I wouldn't mind having a tenancy with a housing association, if it means having a new home at the Elmington	20	16	0	4
Leaseholders will be better off staying and having their properties refurbished than being bought out and having to move elsewhere	15	11	3	1
If I were to move, I would want to return to the area once new homes are available	28	21	3	4

38. A majority of the residents, particularly tenants, believe that the buildings are in too poor a state to be adequately refurbished and, therefore, that redevelopment is the better option. However, the following groups of residents, are opposed to rehousing to enable redevelopment:
- Elderly and vulnerable residents who are concerned that they will not be able to cope with relocation
  - Residents caring for other vulnerable residents, often extended family members but also neighbours, who do not want to be separated.
  - Residents, particularly elderly tenants, with emotional attachments to their homes and community
  - Residents who want to remain the area because of work or children in local schools
  - Tenants who would prefer to remain in affordable housing that is managed by the Council rather than an RSL
  - Leaseholders who do not believe they will get a fair value for their homes
  - Leaseholders in the process of selling their flats who feel redevelopment will make achieving a good price difficult - many also expressed a willingness to be bought out early at a fair market value
  - Residents who feel that redevelopment will take a long time; and would therefore leave them living in their homes but with increased security issues as the buildings empty
  - Tenants who fear their option to return will not be honoured or that they will not be adequately rehoused.
39. However the survey demonstrates that overall, on this criteria alone, the preferred option is to redevelop.
40. Further consultation will be undertaken with residents if the recommendations are adopted. Residents of blocks to be refurbished will be consulted by the council in

accordance with normal practice on the extent, timing and arrangements for the works. Specific consultation will be conducted with leaseholders in accordance with the relevant legislation. Residents of blocks to be redeveloped will be consulted by the council on the proposals and timing for the redevelopment proposals and on an individual basis about the rehousing options and process.

### **Deliverability**

41. There are 2 key issues that determine the extent to which the option is in fact deliverable in practice:
- Availability of resources (cash and people) – whilst the costs of each option are built into the financial analysis, the key issue for delivery is whether there are funds available to meet the spend required in the years required. In addition, the redevelopment option will involve officers from a number of departments and a lead delivery team.
  - Availability of decant units – in both options, decant capacity is needed and this must be considered in light of other major regeneration projects underway.

### **Resources to Deliver**

42. A profile has been developed of all spending and anticipated receipts for both options. The total cost of redevelopment of all blocks is £10.5m and with anticipated receipts of £6.9m there is a net cost to the council of £3.6m. The redevelopment option would commence in 2010/11 with all units completed by April 2018. The total cost of refurbishment works is £11.9m and, with receipts of £368k, there is a net cost to the council of £11.5m. Refurbishment would commence in 2010/11 and take four years to complete.
43. Both options incur a net cost to the council, but redevelopment would cost significantly less over the full period. Also, the profile of spend is not significantly different between the two options. Hence, on the basis of affordability, redevelopment would be preferred. However, it is worth noting that in both scenarios the costs are significant and careful planning and prioritisation will be required to accommodate these in the capital programme..
44. In terms of demands on human resources, redevelopment is significantly more resource intensive and would involve a number of teams across the council working together (housing, property, procurement, finance etc). To embark on the redevelopment of all blocks is likely to prove challenging when there are a number of major regeneration programmes already underway, such as Aylesbury and Elephant and Castle). Hence, it would be more practical to move forward with a mixed programme of refurbishment and redevelopment from this point of view.

### **Risk Assessment**

45. In addition to the analysis of key criteria, key risks for each option have been considered and are set out below.

Table 6 – Risk Assessment

Option	Risk	Impact	Likelihood	Mitigation
Refurbish	After refurbishment, residents prefer the new build housing	Low	High	Ensure high quality refurbishment and full community engagement.
	Retaining mid-Elmington blocks devalues new development on A&B sites.	Medium	High	Consider improving external design in addition to refurbishing to decent homes standard
	Issues relating to the fabric of the building which cannot be resolved by refurbishment	High	Medium	Retain option to revert to redevelopment
	Temporary decant is delayed due to lack of available units.	Medium	Low	Assess capacity in advance and consider all options.
	Delays to refurbishment programme	High	Medium	Retain option to revert to redevelopment
Redevelop	Lack of developer interest	High	Low	Consider soft market testing exercise during development of implementation plan
	Delays to development programme	Medium	Medium	Ensure realistic implementation plan.
	Level of receipt is less than anticipated and tips NPV to a position where refurbish is more financially beneficial	High	Low	Estimated level of receipt is based on a conservative assumptions and also calculated at the bottom of the housing market.
	Delays to development of A & B sites means on site decant units not available and so competing with Aylesbury for units outside the estate	Medium	Medium	Ensure back up plan is in place to decant off site.
	Proposals do not conform to London Plan	High	Low	Continue to develop Core Strategy to achieve GLA approval.



## Conclusion and Recommended Approach

46. Redevelopment of all blocks shows the most favourable net present value would achieve more of the Borough's strategic objectives and the total spend and profile of spend are not significantly different to that of the refurbishment option.
47. However, the option that is recommended must be deliverable in practice and considered in the context of the wider regeneration programme for the borough. With rehousing progressing at Aylesbury Estate at the same time as the proposed timetable for Elmington, the decant units available for additional schemes would not be enough to support redevelopment of all mid-Elmington blocks, without causing delays to rehousing elsewhere. The housing supply and demand model will be used to manage the process overall.
48. Furthermore, some residents would prefer the refurbishment option and a comprehensive refurbishment programme, although expensive, would greatly improve the quality of these homes.
49. Based on all of the analysis, the recommendation is to adopt a mixed approach by redeveloping sites C, D, E and G and refurbishing sites F, H and J. By adopting a mixed approach, the impact of the risks associated with redevelopment are then lessened to a level that is within the acceptable range and the loss in affordable units is minimised.
50. The overall costs and outputs of delivering the preferred option can be summarised as follows:
  - New additional homes = 112
  - Net loss of affordable units = 54
  - Total Cost (all refurbishment and redevelopment costs combined) = -£10,322,330
  - Total Receipt Anticipated = £6,015,496
  - Net cost of preferred option, less the receipt = -£4,306,833
  - NPV of preferred option = -£1,006,651

## Community Impact Statement

51. The most significant impact of the next phase will be to those households who need to be rehoused because of redevelopment proposals. It is proposed that new homes for rent in the Sites A and B development will be made available to the 15 households who moved during Phase 1 and who wish to return to a new home at Elmington. For households in further redevelopment phases, there will be a choice of rehousing options, either to a new home built as part of the scheme or an existing property elsewhere in the borough. Some households opting for new build may need to move twice, depending on the development sequence, and mix of properties in each development. This will be mitigated by efficiently progressing the redevelopment process to ensure that those tenants that wish to return are able to do in a timely manner, thus ensuring continuity of the existing community. Additional benefits to those returning households include the provision of better quality housing and an improved environment. Leaseholders in blocks to be redeveloped will have their interest bought out at market value, and if leaseholders are found to be unable to afford to make their own arrangements, rehousing assistance will be offered in accordance with policy. Further mitigation will be achieved by ensuring that adequate intermediate

housing units are delivered to assist leaseholders who wish to return to area but cannot afford to buy outright.

52. It is clear that the council will need to provide sufficient reassurance that the redevelopment and refurbishment are deliverable, given the hiatus experienced by mid Elmington residents in the regeneration and investment to date.
53. The proposals will also impact on those households whose blocks have been put forward for refurbishment, particularly if the works require they be temporarily rehoused. Good programme management and communication will be critical to mitigating the impact. For leaseholders, specification and cost management will be critical as a majority of the works will be rechargeable.
54. Local residents and the wider community will benefit from the uplifting effect the new and refurbished homes will have on the area. Residents on the housing waiting list will benefit from the surplus units will be made available for other priority households within the wider Southwark area. The intermediate housing units will provide an opportunity for more local residents to pursue home ownership in the area. Tenure mixing will also assist with the council's objective of encouraging mixed and balanced communities, with the resulting social and economic benefits.
55. One adverse implication for the local community is the disruption caused by the development programme, which will be mitigated by the council's monitoring processes. Another is the juxtaposition of new buildings with the remaining blocks on the estate and the perception of under investment in the latter that this could create. This can be ameliorated in the longer term with the increased investment in these blocks in the future.

#### **Investment Implications (inv/ii2382/fc)**

56. The cost of meeting the Southwark Decent Homes Standard for a number of the blocks is excessive, so these costs will not be required to be funded from the housing investment programme - paragraph 42 (subject to the decision to redevelop specific blocks).
57. Currently the funding requirements of leaseholder buy-backs and Homeless payments, and the potential in-coming capital receipts have not been allowed within the investment programme. If net costs are allowed within the short-term this will have a direct implication on Southwark's other priorities, including Decent Homes. Profiling of the scheme to have a minimal cost impact on the programme in the short-term will therefore need to be considered as part of the phasing plan. Medium-term (2012+) resources should be available within the programme as other capital receipts become available.

#### **Strategic Director of Communities, Law and Governance**

58. Section 105 Housing Act 1985 requires the council to consult with its secure tenants on matters of housing management, which in the opinion of the council as landlord represents a new programme of maintenance, improvement or demolition and is likely to substantially affect either secure tenants as a whole or a group of them. The proposed mixed option of refurbishment and redevelopment is likely to substantially affect secure tenants living on the Elmington Estate.

59. To meet legal requirements consultation should:
- Be undertaken when the proposals are still at a formative stage
  - Include sufficient reasons for the proposals to allow any interested party the opportunity to consider the proposal and formulate a response
  - allow adequate time for interested parties to consider the proposal and formulate their response.
60. The report sets out the consultation that has already taken place and indicates that further consultation is planned. Executive members should take the outcome of consultation into account when the taking a decision on the proposals.
61. The report does not ask members to take a decision to dispose of any land at this point; any such decision will need to be taken by Executive in the future. At the point of that decision, the Executive will consider the rules set out about disposal of properties held for housing purposes under Part II of the Housing Act 1985 which can only proceed in accordance with Section 32 of the Housing Act 1985, for which purposes the consent of the Secretary of State for the Department of Communities and Local Government is required.
62. Once the decision has been made as to the precise extent of redevelopment/refurbishment, a procurement strategy can be devised and the details of that strategy can then be captured within a Gateway 1 report together with an appropriate legal concurrent.

#### **Strategic Director of Finance**

63. The Finance Director acknowledges the recommendations contained in this report represent the mix of options that will best balance the needs of the residents, stock condition and programme management.
64. The quantitative analysis has isolated the costs and revenue streams relating to the options presented. A range of assumption have been made which are reasonable and the relative NPV of the options in Table 3 give a good indication of the expected value in today's terms of each of the options.
65. The options with the exception of sites F and H are all the most advantageous from a NPV perspective. The preferred option for sites F & H is to refurbish to meet the strategic fit of the estate. The marginal cost of refurbishment over redevelopment for these two sites is the lowest of all the sites and measured at a NPV of £343k.
66. The funding of these options will be subject to funds being made available form the Housing Investment Programme for the financial years 2010/11 onwards.

#### **BACKGROUND PAPERS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
May 2009 Executive report	Housing Strategy & Regeneration Tooley Street	Maurice Soden on 020 7525 1292

**APPENDICES**

<b>Appendix</b>	<b>Title</b>
Appendix 1	Estate Plan
Appendix 2	Full Results of Survey

**Audit Trail**

<b>Lead Officer</b>	Richard Rawes, Strategic Director of Regeneration and Neighbourhoods	
<b>Report Author</b>	Nnenna Urum-Eke, Estate Regeneration Co-ordinator	
<b>Version</b>	Final	
<b>Dated</b>	October 5 2009	
<b>Key Decision?</b>	No	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director of Communities, Law and Governance	Yes	Yes
Departmental Finance Manager	Yes	Yes
<b>Date final report sent to Constitutional/Community Council/Scrutiny Team</b>		5.10.09

# Appendix 1: Preferred Option for Elmington Estate

Date 5/10/2009



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<b>Item No.</b>	<b>Classification:</b> Open	<b>Date:</b> October 14 2009	<b>Meeting Name:</b> Executive
<b>Report title:</b>		Disposal of land at Coopers Road SE1(Phase 4)	
<b>Ward(s) or groups affected:</b>		South Bermondsey	
<b>From:</b>		Strategic Director of Regeneration and Neighbourhoods	

### RECOMMENDATION(S)

That the Executive:

1. Agrees that land at the Coopers Road Estate, SE1, as shown and highlighted on the attached plan at appendix 1 ("the Site"), be sold on a 125 year building upon terms outlined within the closed report.
2. Authorises the Head of Property to agree any variations to these terms that may be necessary to achieve the regeneration in the light of further negotiations and securing full planning consent.
3. Notes that the freehold interest in the Site be transferred on satisfactory and practical completion of the proposed development of fifty residential units on the site and upon production of a Certificate of Practical Completion.
4. Agrees to the recycling of the net receipts from the disposals into the Housing Improvement Programme.

### BACKGROUND INFORMATION

5. Regeneration of the Coopers Road Estate first began in 2005 as part of the Southwark Estates Initiative. It has to date involved the phased replacement of four 1960's blocks with 154 new flats and houses for rent and shared ownership for the Peabody Trust. The Site, also known as phase 4, remains the last part of the project to be completed.
6. The Site is currently hoarded and cleared. It was formerly occupied by a 1960's built four storey block containing 12 three bedroom maisonettes. This block was demolished in 2008. Previous attempts to develop the Site in conjunction with partner Registered Social Landlords's (RSL's) have so far proved unsuccessful.
7. The proposed purchaser plans to develop a scheme of fifty units comprising one hundred and sixty nine habitable rooms arranged over six storeys across a variety of unit types;

1 bed flats	2 persons	11
2 bed flats	3 persons	15
2 bed flats	4 persons	3
3 bed flats	5 persons	10
3 bed flats	6 persons	3
3 bed maisonette	5	4
4 bed House	7	4
	<b>Total</b>	<b>50</b>

8. The proposal also includes the provision of five units for wheelchair users. The unit mix is for 42 social rented units for general needs and 8 new build home buy units for shared ownership. To date the proposed purchaser has had a number of pre application planning discussions with the planning authority and are confident of submitting an application shortly
9. The proposed purchaser has appointed architects. The architects were responsible for the design of the previous phases of the Coopers Road Estate and are a Southwark based practice that specialise in low carbon residential, education, healthcare, commercial, leisure and refurbishment projects. They are also the architects for Success House a Peabody scheme which fronts onto the nearby Old Kent Road. The youth facility that was displaced as a consequence of the Coopers Road Estate regeneration is being re-provided and currently nearing completion on the ground floor of this building.
10. Previous Phases of the Estate have won a number of awards including a commendation for the best social housing development at the National Homebuilder Design Awards 2005. It has also been recognised by the Commission for Architecture and the built Environment (CABE) with a Building for Life Standard in recognition of its high quality design, good place-making and sustainable development. The Civic Trust awarded it a commendation in 2006 at its awards that year. The Estate also achieved a Building for Life silver standard in 2008.
11. The Site is held in the Housing Revenue Account. The Site has been declared surplus to the council's requirements. The disposal of properties held for housing purposes is permitted by virtue of Section 32 of the Housing Act 1985, subject to the consent of the Secretary of State for Communities and Local Government, where necessary. General Consents have been issued in The General Housing Consents 2005 to dispose of land where specific consent is not required. The Head of Property considers that the offer satisfies the councils obligation to obtain best consideration that can reasonably be obtained. As part of the evaluation process the site has been subject to a third party valuation by Drivers Jonas LLP, the council's retained valuation surveyors.
12. The offer is subject to the following assumptions;
  - Receipt of planning
  - Securing funding from the HCA
  - Satisfactory site and soil surveys
  - Deduction for abnormal costs
  - Overage/underage adjustment for an increase or decrease in the number of habitable rooms as determined by the planning process and
  - Proposed bidder's Board Approval
13. In addition the proposed bidder will pay a contribution of £10,000 towards the councils legal and surveyors fees.
14. The proposed purchaser is pursuing grant funding from the Housing and Communities Agency (HCA) for their proposed scheme, actively supported by the council



## **KEY ISSUES FOR CONSIDERATION**

### **Policy implications**

15. The proposal by the purchaser will see the Site developed for much needed affordable housing, including 21 larger units for families. This assists the council in meeting its commitment to regeneration and sustainability in housing as demonstrated through the emerging 2009-2016 Southwark housing strategy.
16. The development of this under utilized Site will remove a visual eyesore and help to reduce opportunities for anti social behavior. This will assist the council in meeting its cleaner, greener and safer agenda.
17. The provision of affordable units will provide decant opportunities for residents moving from the Aylesbury estate.
18. The proposed development will enjoy very high standards of sustainability. Investigations are ongoing about the possibility of connecting to the combined heat and power plant that connects to the rest of the Estate.

### **Community Impact Statement**

19. There are no direct implications of the report's recommendations on the council's managing diversity and equal opportunities policy.

### **Resource implications**

20. The proposal will generate a substantial capital receipt in support of the council's Housing Investment Programme.
21. Disposal of the vacant Site will relieve the council of ongoing maintenance and management costs such as security and dealing with fly tipping.
22. The purchasers will contribute towards the council's administrative and legal costs in relation to this matter.

### **Consultation**

23. From its inception, the wider Estate regeneration has been the subject of detailed consultation with both the former residents and local community.
24. The terms of this proposed disposal are not deemed appropriate for wider consultation. Any planning application which may arise as a result of this disposal will be subject to the usual statutory consultation.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Strategic Director for Communities, Law and Governance**

25. The Executive is recommended to approve the disposal of the Site to the proposed purchaser on the terms outlined in the closed report by way of a building lease for 125 years and thereafter, upon practical completion of the proposed development of the Site, to transfer the council's freehold interest to the purchaser.

26. The Executive is advised that as the Site is land held for housing purposes any disposal of it can only proceed in accordance with Section 32 of the Housing Act 1985 (as amended), for which purposes the consent of the Secretary of State for Communities and Local Government is required. However, a number of general consents have been issued in The General Housing Consents 2005 which permit the sale of housing land, provided that certain conditions are met.
27. The Executive is advised that General Consent E3.1 provides that a local authority may dispose of any land held for the purposes of Part II for the best consideration that can reasonably be obtained, provided that any dwelling-house included in the disposal;
- (a) is vacant;
  - (b) will not be used as housing accommodation ;
  - (c) will be demolished.
28. The Executive will note at paragraph 6 of this report that the Site is cleared and at paragraph 11, the Head of Property considers that the proposed consideration represents the best consideration that can reasonably be obtained, therefore the Executive may approve the recommendations.

#### **Finance Director**

29. This report recommends the terms for the disposal of land at the Coopers Road Estate SE1 on a building lease. The Finance Director notes that the Head of Property will agree any variations to the terms that may be necessary to achieve the regeneration in the light of further negotiations and securing full planning consent. The disposal is on a long lease until satisfactory and practical completion of the proposed development, when the freehold interest in the Site will be transferred to the developer. The Finance Director notes that the Head of Property considers that this arrangement represents best consideration under section 123 of the Local Government Act 1972.
30. The Finance Director notes that the net receipts from the disposal are to be reinvested in the Housing Investment Programme, and that the council's reasonable surveying and legal costs will be recovered from the purchaser, up to £10,000

#### **BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
Drivers Jonas Valuation	Southwark Property, Regeneration and Neighbourhoods, 160 Tooley Street SE1 2TZ	Paul Davies Principal Surveyor 020 7525 5529

#### **APPENDICES**

<b>No.</b>	<b>Title</b>
Appendix 1	Ordnance Survey Extract

**AUDIT TRAIL**

<b>Lead Officer</b>	Richard Rawes, Strategic Director of Regeneration and Neighbourhoods	
<b>Report Author</b>	Paul Davies, Principal Surveyor	
<b>Version</b>	Final	
<b>Dated</b>	October 2 2009	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director of Communities, Law and Governance	Yes	Yes
Finance Director	Yes	Yes
<b>Date final report sent to Constitutional/Community Council/Scrutiny Team</b>		October 5 2009

# Draft pdf source



TITLE.

Cooper's Road Phase 4.

DRAWING No.

LBS\_1488

DRAWN BY.

MMANKTELOW  
Property Division

DATE.

9/9/2009

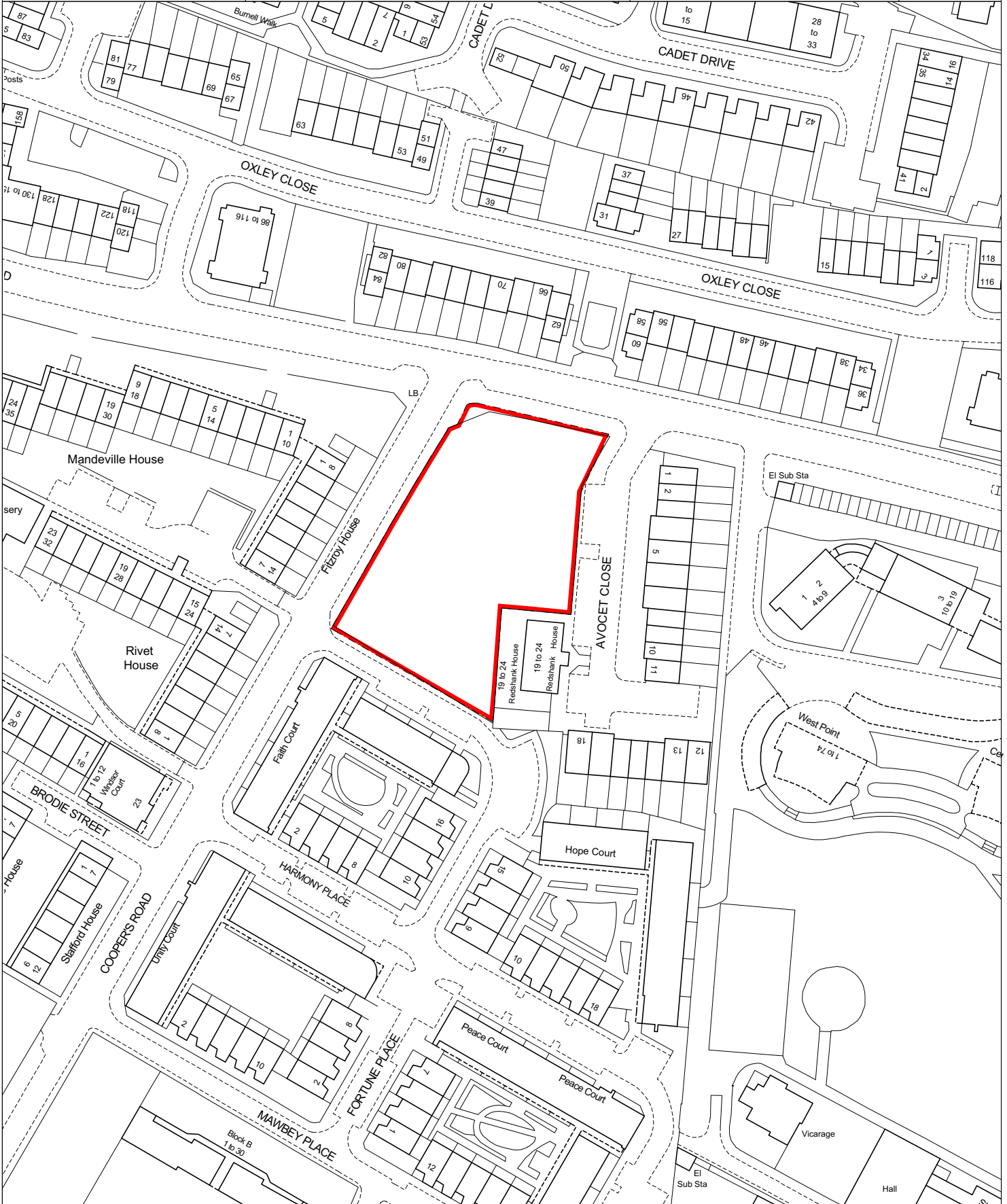
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<b>Item No.</b>	<b>Classification:</b> Open	<b>Date:</b> October 14 2009	<b>Meeting Name:</b> Executive
<b>Report title:</b>		Vary terms of disposal – Silwood Phase 4B, Rotherhithe SE16	
<b>Ward(s) or groups affected:</b>		Livesey	
<b>From:</b>		Strategic Director of Regeneration and Neighbourhoods	

### RECOMMENDATION

That the Executive:

1. Authorises the varying of the terms of the disposal of the site known as Silwood Phase 4B to Higgins Homes plc and Notting Hill Housing Trust on the following main terms and conditions:
  - a) Interest – Freehold
  - b) That the disposal is subject to obtaining planning consent for the proposed scheme
  - c) Fees - The purchaser is to pay the council's reasonable legal and surveying fees.
2. Agrees to the recycling of the net receipts from the disposal into the Housing Improvement Programme.

### BACKGROUND INFORMATION

3. The subject property is approximately triangular in shape and is occupied by a local authority former residential block (Gillam House and 11-33 Debnams road), a council yard and an electricity substation. The site is situated in Rotherhithe close to London Borough of Lewisham borders, and is bounded by Silwood Street to the east, by Corbett's Lane and the railways viaduct to the southwest, and by Debnams Road to the north. (The property is edged red on the attached plan at Appendix A).
4. The tenants of Gillam House have been rehoused and the leasehold interests purchased by the council. The council depot was used for housing maintenance purposes but it is now surplus to requirements and is used for temporary storage.
5. The Silwood Estate regeneration programme was a joint partnership between Southwark and Lewisham councils. The programme has seen the demolition of local authority housing, the refurbishment of some housing and the provision of new build residential accommodation, community facilities and childcare facilities as well as providing local people with employment and training opportunities.
6. The Silwood Estate regeneration programme is in its ninth year and Phase 4B is the final phase within the boundaries of the London Borough of Southwark. The disposal of Silwood Phase 4A site to Presentation Housing Association, which is within the boundaries of London Borough of Southwark, was approved by the

executive on February 14 2006.

7. The Silwood Phase 4B site was marketed in the property press and interested parties were invited to contact the council in order to obtain a copy of the detailed development brief for the site. The development brief outlined the council's objectives/expectations for development of the site.
8. After an exhaustive selection process Higgins Homes with Genesis Housing Association were selected as the council's preferred developers at Executive on March 6 2007.
9. Heads of terms were agreed and lawyers instructed however the scheme very quickly ran into planning difficulties due to the conflict with the Greater London Authority (GLA ) policies on no net loss of affordable housing and density.
10. The implications of the GLA policy were that all the affordable rented flats in the existing block on site had to be replaced and that 35% of the remainder of the scheme had to be affordable in the normal way.
11. To compound this, the density of any new development on the site was to be capped by the Ptal (public transport accessibility level) which was set by the GLA at level 3 for this location. This meant that the maximum density allowed for the site was 450 habitable rooms per hectare.
12. The proposed scheme was at a density of 700 Habitable rooms per hectare and the existing Gillam house block was already providing almost 550 Habitable rooms per hectare.
13. The effect of these two constraints was to make regeneration of the site undeliverable on these terms.
14. For the past year discussions with the GLA have been ongoing regarding the affect these constraints were having on development of the Silwood 4B site and other Southwark regeneration sites.
15. Agreement is being sought with The GLA on the issues stalling the Housing regeneration sites and a new Core Strategy document is being produced to reflect this. If approved it is likely that the new policy will have sufficient planning weight for a development application by the end of 2009.
16. In the interim Genesis Housing Association has withdrawn their interest and they have been replaced by Notting Hill Housing Trust as the development partners of Higgins Homes.
17. It is hoped therefore that a planning application could be made for this site by December 2009 and if successful demolition could start on site by April of 2010.
18. An application will be made for the stopping up of the southern end of Debnams road, Silwood Estate under S247 of the Town and Country planning Act 1990 to enable development to be carried out in accordance with any planning permission granted under Part iii of the Act.
19. The Strategic Director of Regeneration and Neighbourhoods has declared the subject property surplus to their requirements.

## **KEY ISSUES FOR CONSIDERATION**

20. Gillam House and 11-33 Debnams Road have been vacated and are to be demolished and cleared by the developer. They are secured by the use of sheet metal barriers.
21. The council's land is held for housing purposes and the provisions of section 32 of the Housing Act 1985 govern the terms of any disposal. The General Consent for the Disposal Part II Land 1999 enables local authorities to dispose of land held for housing purposes provided that they received the best consideration that can be obtained. The Head of Property is satisfied that the offer from Higgins / Notting Hill Housing Trust represents best consideration that can reasonably be obtained.
22. Silwood site 4B will be sold with vacant possession. There were a total of 57 affordable rented flats and 6 leasehold flats on the site at a density of 515 habitable rooms per hectare. The buildings will not be re-used as housing accommodation and will be demolished.
23. Seven of the affordable units are to be developed for Presentation Housing Association. These 7 units are required in order to fulfil the Housing Department's obligations to Presentation Housing Association from earlier regeneration phases in Silwood. This obligation was stated in the development brief, so that the condition was known to the bidders. Presentation HA are now become part of the Notting Hill Housing Trust group and it is intended that Presentation HA will manage all Notting Hill Housing Trust's properties south of the river.
24. It is expected that it will take around six to eight weeks to complete the development agreement and exchange contracts. A planning application could be submitted as early as December 2009 provided the proposed changes to the councils Core Strategy are finalised and have planning weight by the end of the year.
25. The Head of Property will expect the developer to commit to an early demolition and clearance of the site in the contractual negotiations.

## **Policy Implications**

26. The disposal of this site will generate a substantial capital receipt, which will be recycled to provide funding for the Housing Investment Programme. This helps the council meet its commitment to regeneration and sustainability in housing as stated in the 2005-2010 Southwark Housing Strategy.

## **Community Impact Statement**

27. The impact of the proposed development on the local community will be that a housing block that did not meet 'Decent Home' requirements will be redeveloped as new accommodation and there will be an increase in the private and intermediate affordable housing in the area, which is dominated by social housing for rent.

28. There are no direct negative implications of the report's recommendations on the council's Managing Diversity and Equal Opportunities Policy.

### **Consultation**

29. There has been extensive consultation with tenants and leaseholders throughout the first 7 years of the Silwood Regeneration project.

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

#### **Strategic Director of Communities, Law and Governance**

30. It is recommended that the Executive authorises the disposal of the site known as Silwood Phase 4b to Higgins Home Plc in partnership with Notting Hill Housing Trust on the following main terms and conditions.
31. It is also recommended that the Executive authorises the Head of Property to agree the terms of the transaction and that the Executive agrees to recycling of the net receipts from the disposal into the Housing Investment Programme.
32. As the property falls within the council's housing portfolio, the disposal can only proceed in accordance with Section 32 of the Housing Act 1985, for which purposes the consent of the Secretary of State is required. Consent E3.1 of the General Consent for the Disposal of Part II Land 2005 enables the Council to dispose of any land held for the purposes of Part II for the best consideration that can reasonably be obtained, provided that any dwelling house included in the disposal:
- (a) is vacant.
  - (b) will not be used as housing accommodation; and
  - (c) will be demolished.
33. The report confirms in paragraph 22 that the buildings will not be used as housing accommodation and will be demolished. The consideration will need to be best that can reasonably be obtained. In this report it is confirmed that the Higgins and Notting Hill housing Trust proposal fulfils this criteria.

#### **Head of Housing Strategy and Regeneration**

34. The regeneration of the Silwood Estate involves a partnership between the London Boroughs of Southwark and Lewisham, based on a SRB programme for which Lewisham Council was the accountable body. The agreed masterplan designated Phase 4b as a private housing development with social housing being provided through a S106 Agreement. This reflected the high concentration of social housing in the area and the introduction of private housing was regarded as important promoting mixed and sustainable communities. The current proposal from Higgins Homes Plc & Notting Hill Housing Trust Housing Association complies with this requirement.
35. The bid by Higgins and Notting Hill Housing Trust is therefore supported. The proposal by which Presentation HA manage the properties of the Notting Hill group south of the river is acceptable to Southwark Housing. Notting hill Housing Trust are one of the councils preferred Registered Social Landlord partners.



## Finance Director

36. This report recommends the variation of the terms of disposal for the site known as Silwood Phase 4B. The total consideration, before any overage payment will be split over three financial years. In addition, the contract includes overage clauses for the council to receive additional receipts should sale price targets for the developed units be exceeded.
37. The Finance Director notes the recommendation that the net receipts from the disposal be reinvested in the Housing Improvement capital programme.
38. The Finance Director understands that the council's reasonable surveying and legal costs will be recovered from the purchaser. Demolition and clearance costs will be met by the developer.

## BACKGROUND PAPERS

Background Papers	Held At	Contact
Property Division File	Southwark Property 160 Tooley Street London SE1	Marcus Mayne 020 752 55651

## APPENDICES

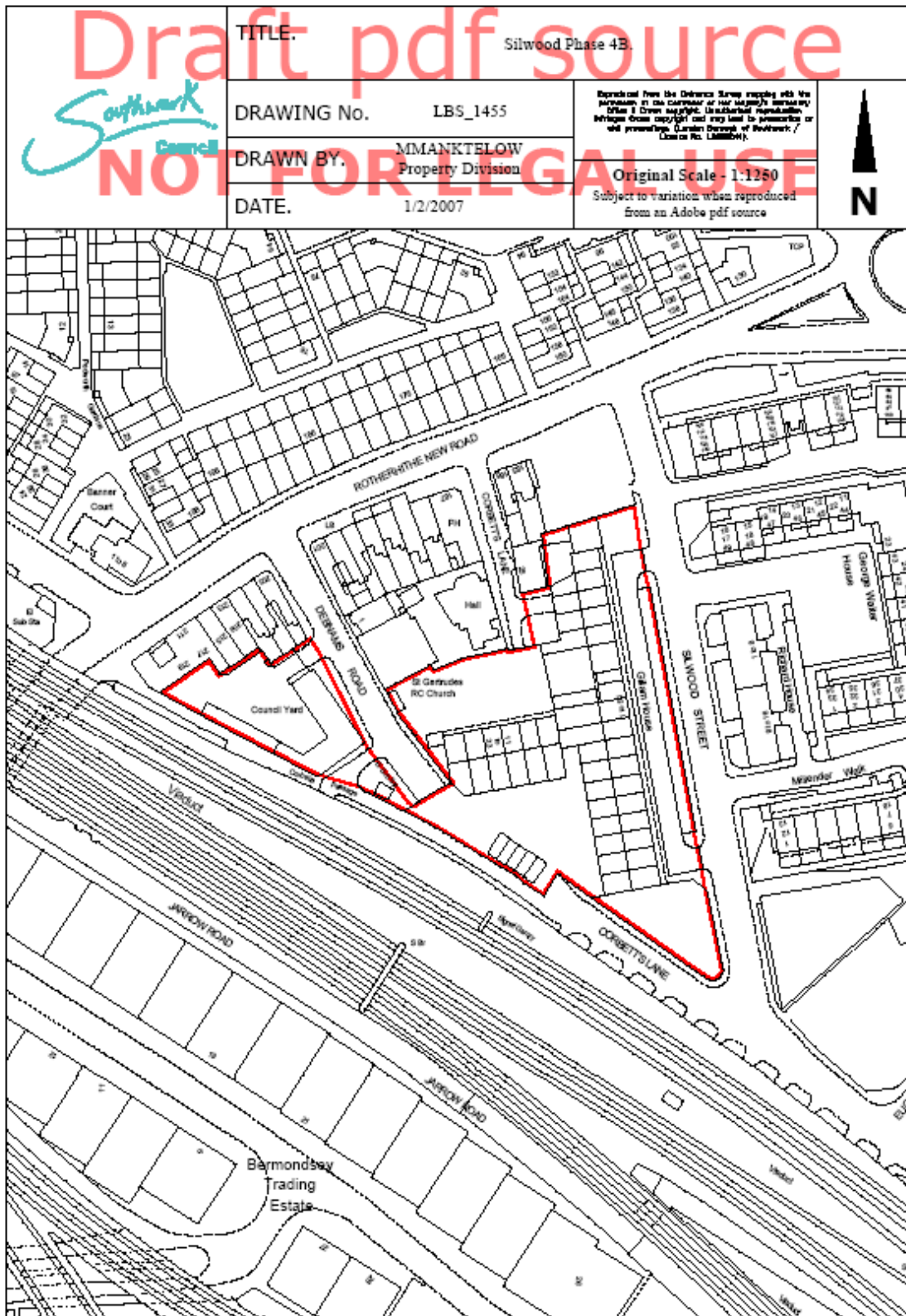
No.	Title
Appendix A	Site Plan

## Audit Trail

<b>Lead Officer</b>	Richard Rawes, Strategic Director of Regeneration and Neighbourhoods	
<b>Report Author</b>	Marcus Mayne, Principal Surveyor	
<b>Version</b>	Final	
<b>Dated</b>	September 28 2009	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director of Communities, Law and Governance	Yes	Yes
Head of Housing Strategy and Regeneration	Yes	Yes
Finance Director	Yes	Yes
<b>Date final report sent to Constitutional Support Services</b>		October 5 2009

APPENDIX A

SITE PLAN



<b>Item No.:</b>	<b>Classification:</b> Open	<b>Date:</b> October 14 2009
<b>To</b>	Executive	
<b>Report title</b>	Gateway 2 – Contract Award Approval Internal Audit and Related Services	
<b>Ward(s) or groups affected</b>	All Wards	
<b>From</b>	Finance Director	

### RECOMMENDATIONS

1. That the Executive approve the award of the Council's Internal Audit and Related Services Contract for a period of five years.
2. That the Executive delegate authority to extend the term of the Internal Audit and Related Services Contract for up to a maximum of two single years (1+1) subject to appropriate reviews, to the Finance Director.

### BACKGROUND

3. This contract is for the provision of Internal Audit Services to the Council for five (5) years with an option to extend for a further two single years (1+1).
4. In addition the contract includes an option for the Council to purchase the following services:
  - (1) Anti-Fraud Services;
  - (2) Risk Management Administration;
  - (3) Contract Risk Assessment;
  - (4) Insurance Claims handling.
5. The Internal Audit element will become operational on the 1<sup>st</sup> December 2009, with the Risk Management Administration element currently planned to also be activated on the 1<sup>st</sup> December 2009 or shortly thereafter. The other services listed in paragraph 4 above which form part of this Contract may or may not be activated at a point during the Contract period subject to certain conditions being met in relation to for example budgets and value for money through switching on these additional services and satisfactory progress in terms of partnership development.
6. The internal audit and related services contract has a specific option to extend the contract for a further 12 months, on two separate occasions, built into the contract. Contract performance reviews will be carried out at appropriate times to inform any decision to extend.
7. The contract provides that contract prices are subject to annual indexation in accordance with the rise or fall in the Average Earnings Index (AEI), published by the National Statistics Office.
8. This procurement has followed an EU restricted procurement route as laid out in the Gateway 1 report which was approved by the Executive on 16th December 2008.
9. The Timetable of the EU procurement process followed for the Internal Audit and Related Services contract is follows:

Activity	Date completed
Gateway 1: CCRB Consideration	28th Nov 2008

Activity	Date completed
Deadline for Report to executive	5th Dec 2008
Procurement strategy for approval report by Executive	16th Dec 2008
Completion of tender Pre-Qualification Questionnaire (PQQ)	2nd Dec2008
Advertise the contract in OJEU	5th Jan 2009
Advertise the contract in Trade Journals	15th Jan 2009
Closing date for expressions of interest	4th Feb 2009
Issue of PQQ to Interested Companies	up until 5th Feb 2009
Deadline for return of completed PQQs'	13 <sup>th</sup> Feb 2009
Completion of short-listing of applicants	9th March 2009
Evaluation panel agreement to evaluation	22nd April 2009
Completion of tender Documentation	22nd April 2009
Invitation to tenders	25th April 2009
Presentation to short-listed applicants	27th April 2009
Closing date for return of tenders	11th June 2009
Completion of final clarification process	17 <sup>th</sup> September 2009
CCRB	1 <sup>st</sup> October 2009
Executive	14 <sup>th</sup> October 2009
Scrutiny / call in expires	21 <sup>st</sup> October 2009
Send out letters to Participants - 10 day statutory "Alcatel" standstill period	21 <sup>st</sup> October 2009
Contract award	31 <sup>st</sup> October 2009
Contract start	1st December 2009
Contract completion date	30th November 2014 subject to a further two years extension.

### Description of Contract Outcomes

10. This tender is compliant with the EU Restricted Procurement route and the contract will be awarded on the basis of the most economically advantageous tender.
11. This contract will provide the internal audit service, along with related services where appropriate.
12. It is noted that there is no requirement (legal or best practice) for a rotation of internal audit providers, to prohibit a bid or the appointment of PricewaterhouseCoopers.
13. A new specification was developed based upon assessments of the previous specification and service and involvement of key stakeholders, including departmental representatives and the Finance Director. The new specification and contract management arrangements will deliver the following outcomes:
  - build on the existing relationships with key service representatives and develop new relationships to ensure that the combined Service provides most effective support to satisfy the needs and requirements of stakeholders;

- further develop the relationship with the Audit Commission to ensure that there is a joined up approach to the external and internal audit service;
- manage emerging relationships and reporting arrangements with the Audit and Governance Committee to strengthen relationships and communication and to support the role of the Committee;
- provide innovative approaches through enhancements to the Council's service provision;
- achieve and enhance performance targets for the internal audit service; and
- add value to the Council through improvements in its performance.

## KEY ISSUES FOR CONSIDERATION

### Policy Implications

14. This internal audit contract fully meets the statutory requirements for provision of an internal audit service to the Council and the internal audit strategy.

### Tender Process

15. A project team was established comprising the Assistant Finance Director, Acting Head of Procurement, Head of Audit and Risk, the Corporate Risk Manager, Audit Manager, Fraud Manager, and CIFPA Trainee. This team, with support from Legal services, developed all documentation for the procurement process including the Pre-Qualification Questionnaire (PQQ), specification and conditions of contract.
16. The service specification for the internal audit service was expanded to include anti-fraud, risk management administration, contract risk assessment, and/or insurance claim handling services.
17. To ensure that a wide range of officers (including departmental reps) could participate in the tender evaluation, the methodology included stages with different officers participating in each stage/ elements of each stage. To ensure continuity, the Head of Audit and Risk participated in every stage. The stages included:
  - PQQ assessment
  - Reading and scoring written submissions
  - Interviews
  - Price assessment
18. The evaluation panel agreed the evaluation methodology that would be applied to this procurement. As part of this agreement a set of evaluation criteria was produced, which was based on a weighted model (**price** and **quality**).
19. Advertising of contract Official Journal - This contract was advertised in the Official Journal of the European Union.
20. Expressions of Interest: A total number of 15 applicants had requested a copy of the Council's PQQ in response to the OJEU and trade journal adverts.
21. Completed PQQ In order to qualify for the Invitation to Tender Stage (Stage Two), all applicants had to demonstrate that they were financially viable and technically capable to deliver this contract.
22. Returned Pre Qualification Questionnaires (PQQs) The Council received a total of five completed PQQs before the closing date of 13<sup>th</sup> February 2009.

23. Late Application: The Council received one late PQQ application as the applicant had submitted an electronic copy, but had not submitted a hard copy as required. Following legal advice, the company were allowed to submit a hard copy of their tender, providing the documentation was received the next working day and that this was in line with their electronic submission.
24. Short listing: The Council assessed the PQQ applications submitted by five applicants before the closing date of 13<sup>th</sup> February 2009. The Council shortlisted four applicants which met the selection criteria for the internal audit and related services contract. These four applicants were invited to tender for the internal audit and related services contract.
25. Rejected Applications: One applicant failed to meet the minimum selection **quality** criteria and they were not shortlisted.
26. Invitation to Tender Documents: Following a Bidders briefing session held on 27<sup>th</sup> April, the suite of tender documents was sent out on 1<sup>st</sup> May to the four bidders. The Council informed all the bidders in writing that the closing date for applicants to provide the Council with tender submissions was no later than 12 (Noon) on Thursday 11<sup>th</sup> June 2009.
27. Tender Clarification Question: There were a number of clarifications raised by bidders. All clarifications were responded to and both questions and answers circulated to all bidders.
28. Withdrawal of Tenderer On the Thursday 25<sup>th</sup> May 2009 one of the bidders notified the Council that they would not be bidding for the Council's internal audit and related services contract and they had decided to withdraw from the tender process. The bidder stated in writing that they felt that they were unable to provide the full range of service we required and were not able to commit to delivering the contract in the format that it was set out.
29. Tender Evaluation: The Council received three bid submissions.
30. Initial Quality Assessment The Bid submissions were assessed against the quality criteria contained in the evaluation methodology document. Bidders were required to meet a threshold of 60% in the areas of internal audit, anti-fraud and risk management administration. The evaluation panel met to deliberate on their assessments. During deliberations it became apparent that whilst all three bid submissions met the overall threshold for Internal Audit there were concerns with the submission from one bidder in relation to schools audits. Also one bidder failed to meet the threshold for anti-fraud and one bidder failed to meet the threshold for Risk management.
31. Price Assessment An independent panel was set up to assess the price proposals. During assessments it became apparent that there were a number of clarifications sought by the price evaluation panel in relation to all three submissions. Following advice from legal, these clarifications were sent out and responses were received that enabled appropriate assessment.
32. On further assessment it became clear that despite the documentation instructions, all three bidders had approached the pricing in different ways and there was a level of confusion about what assumptions and inclusions should be made. The main evaluation panel had concern that the assessments were not being made on a like for like basis.
33. Panel Conclusion - Given the concerns surrounding the results of the quality assessment and the variations in the approach to price proposals, the panel felt unable to make a recommendation for award at this time. Legal advice was sought and the panel were given two options: To halt the procurement process and start again or to continue with the process and seek further clarifications from all three bidders.
34. After careful consideration, the Panel decided that they would continue with the process as restarting a procurement process would involve additional time and resources and would not guarantee a satisfactory outcome.
35. Following legal advice, a series of clarification meetings were held with each of the tenderers on 5<sup>th</sup> August 2009. The purpose of the meetings was to help the panel seek assurances from the bidders that they could provide the full range of services to a satisfactory standard and to ensure that the price assessment was carried out on a like for like basis.

36. Following these meetings, the bidders were required to complete revised pricing schedules and given an opportunity to resubmit method statements relating to their bid submission areas of weakness. The responses to these clarifications resulted in a delay to the process with the final deliberation meeting being held on 17<sup>th</sup> September 2009. The revised scoring for the areas of weakness was capped at a maximum of 3 out of 5 for that specific component of the evaluation.

37. Evaluation outcome

38. The results of the final **quality** assessment for each of the returning bidders following the clarifications described above are contained in the table below:

Quality Evaluation Scoring Matrix	Maximum Possible (weighted) Score	Actual Total Scores		
		Bidder 1	Bidder 2	Bidder 3
Internal Audit	30.00	19.39	21.01	22.52
Anti-Fraud	5.00	3.00	3.30	2.87
Risk Management Administration	5.00	3.65	3.08	3.08
Contract Risk Assessment	2.50	2.00	1.50	1.00
Insurance Claim Handling	2.50	1.88	1.00	1.50
Combined Services	2.50	1.83	1.50	1.83
Interviews	2.50	2.00	1.83	1.50
<b>Quality Assessment Total</b>	<b>50.00</b>	<b>33.75</b>	<b>33.22</b>	<b>34.30</b>

39. All three bidders met the overall threshold for internal audit and as this is the key component of the service may be awarded the contract. One bidder failed to meet the threshold for the anti-fraud service.

40. Pricing Outcome The results of the final **price** assessment for each of the returning bidders following the clarifications described above are contained in the table below:

Price Evaluation Scoring Matrix	Maximum Possible (weighted) Score	Actual Total Scores		
		Bidder 1	Bidder 2	Bidder 3
Internal Audit	30.00	30.00	26.64	26.59
Anti-Fraud	10.00	9.30	8.36	7.04
Risk Management Administration	5.00	4.32	3.06	2.77
Contract Risk Assessment	2.50	2.49	0.64	1.71
Insurance Claim Handling	2.50	2.49	1.02	1.81
<b>Pricing Assessment Total</b>	<b>50.00</b>	<b>48.60</b>	<b>39.72</b>	<b>39.92</b>

41. Overall Scoring of Tender Submissions: The final evaluation was completed in line with the methodology as attached in appendix A. The **overall** results for each of the returning bidders following the clarifications described above are set out in the table below:

	<b>Bidder 1</b>	<b>Bidder 2</b>	<b>Bidder 3</b>
Price	48.60	39.72	39.92
Quality	33.75	33.22	34.30
<b>Overall</b>	<b>82.35</b>	<b>72.94</b>	<b>74.22</b>

42. The panel therefore agreed that it should be recommended to Executive that the contract be awarded to bidder 1 as the most economically advantageous tender evaluated in accordance with the stated evaluation criteria.
43. It should be noted that this contract may be extended for up to a maximum of two years (1+1) and approval is sought for the Finance Director to be able to exercise this option if it is considered appropriate at the relevant time and subject to appropriate performance reviews.

### **Plans for the Transition from the Old to the New Internal Audit and Related Services**

44. A detailed transition plan has been prepared for the internal audit service, based around the contract commencement date of 1<sup>st</sup> December. The key objectives are for the existing contractor to ensure that only internal audit work completed under the existing contract is paid for and that work is completed in line with the Audit Commission's requirements for the managed audit work to be completed to allow them to undertake their systems work in January 2010. Any work from the internal audit plan that has not been commenced prior to December 2009 will be undertaken under the new contractual arrangements.
45. Through the transition process of assessing the detail, we will be seeking agreement and confirmation of the following specific items:
- The engagement manager who will be appointed to the contract.
  - Partner level involvement in the contract.
  - The details of the incentive programme.
  - Actual physical staff resource for the contract i.e. who we will be getting and from where.
  - Reporting arrangements for work completed.
  - IT arrangements.
  - Details of the transition programme.
  - Agreement of contract conditions.
46. If further services are activated, separate individual timetables will need to be agreed with the successful contractor.

### **Plans for the Monitoring of the Internal Audit and Related Services**

47. It is anticipated that this new contract will require an enhanced approach to contract monitoring. In recognition of this the internal audit team is in the process of developing a contract monitoring manual identifying the key requirements of the contract, including outputs, payment mechanisms and key performance indicators.
48. The Council has identified a provisional number of important performance indicators (ref appendix A) which will need to be monitored on a daily and weekly basis. The categories to be regularly reviewed and monitored will include exception reports on a monthly basis.



49. A new body, the Contract Partnership Board will meet six monthly to monitor actual performance against the agreed performance targets along with any other contractual issues that may arise.
50. It is expected that the new contract with the new style of management including the introduction of the Contract Partnership Board will lead to better service delivery across the organisation.

### **Community Impact Statement**

51. The provision of these services fulfils the Council's responsibility to protect public funds.

### **Sustainability Considerations**

52. Market Development Considerations

The successful tenderer is a limited liability partnership business organisation

The successful tenderer has in excess of 250 employees

The successful tenderer has a national area of activity

### **Resource Implications**

#### **Staffing Implications**

53. Staffing Implications – There are no internal staffing implications as the in-house staffing level will be maintained at existing levels.

### **Financial Implications**

54. Financial implications –

- The total costs of the internal audit contract will be within the resources available in the audit and risk budget including the savings targets.
- In addition, it is noted that cashable and non cashable benefits of the additional non Internal Audit functions being included in the new contract may allow for some savings on the existing Audit and Risk budget.

### **Legal Implications**

55. Legal Implications – Advice has been taken and will continue to be sought where necessary from the Contracts Section of Communities, Law & Governance.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Strategic Director of Communities, Law & Governance Services**

56. The Strategic Director of Communities, Law & Governance notes the contents of this report which seeks the approval of the Executive to the award of the contract for Internal Audit and Related Services to bidder 1.

57. This contract is classified as a strategic procurement and therefore CSO 4.5.2 (i) requires the Executive to authorise the award of this contract, after taking advice from the Corporate Contracts Review Board.
58. On the basis of the information contained in this Report it is confirmed that this procurement was carried out in accordance with Contract Standing Orders and the relevant legal requirements. As noted in paragraph 42 the tender submitted by bidder 1 is the most economically advantageous tender and is therefore recommended for award in accordance with the evaluation criteria
59. CSO 2.3 requires that before a contract may be awarded, the expenditure relating to that award should be included in approved estimates or revenue accounts or be otherwise approved by the council. Paragraph 54 confirms the financial implications of this award.
60. CSO 4.5.3 requires any possible options to extend the contract to be included as part of the proposed recommendations within the Gateway 2 report and paragraph 43 of this report confirms those options. In accordance with CSO 4.5.3 the Executive is therefore asked to delegate the decision to exercise those options at a future date, to the Finance Director.

### **Finance Director**

61. The total costs of the internal audit contract will be within the resources available in the audit and risk budget. The budget plan contains savings relating to the audit contract, these will be achieved in full.
62. The contract includes the option for the Council to purchase certain other services in addition to the internal audit work. Paragraph 4 of this report notes that the exercise of such an option will be subject to certain conditions being met in relation to for example budgets and value for money. The scope for achieving further savings in the long term should also be a consideration.

### **Head of Procurement**

63. This report is seeking approval to award the Internal Audit and related services contract to bidder 1. The procurement process followed a restricted procedure as detailed in the gateway 1 report signed off by the Executive on 16th December 2008.
64. Following the planned evaluation process, the panel which was set up to assess the bids submitted felt unable to make a recommendation for award. Paragraph 33 - 36 explains that following legal advice further clarification were sought from all three bidders. This additional step in the process gave the panel the necessary reassurance to be able to make a recommendation. There are some pre contract issues to be agreed with the new provider before the start of the contract and these are detailed in paragraph 45.
65. The monitoring arrangements for this contract have been enhanced with KPIs being introduced and a contract partnership board set up to review performance and any contract issues that may arise. This coupled with the revised specification with emphasis on stakeholder engagement including representation from Service managers will assist with the achievement of the contract outcomes contained in paragraphs 10 – 13.

**KEY POINT SUMMARY**

- This procurement followed a *strategic* protocol
- This contract is for *services* and is *a replacing an existing provision*
- EU Regulations were followed during the procurement of this contract
- The EU Regulations applied were those of the restricted procedure route

**BACKGROUND PAPERS**

None.

**APPENDICES**

Appendix number	Title of appendix
Appendix A	A provisional list of year 1 performance indicators for the contract.

**AUDIT TRAIL**

<b>Lead Officer</b>	Duncan Whitfield, Finance Director		
<b>Report Author</b>	Mike Pinder, Head of Audit and Risk		
<b>Version</b>	Final		
<b>Dated</b>	October 6 2009		
<b>Key Decision?</b>	Yes	<b>If yes, date first appeared on forward plan</b>	September 2009

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

Officer Title	Comments Sought	Comments included
Strategic Director of Communities, Law & Governance.	Yes	Yes
Finance Director	Yes	Yes
Head of Procurement	Yes	Yes
<b>Date final report sent to Constitutional Support Services</b>	October 6 2009	

## Appendix A – A Provisional List of Year 1 Performance Indicators for the Contract

Internal Audit KPIs (1)	Performance Target Percentage
The % of draft terms of reference that are issued within five working days of the planning meeting	95%
The % of final terms of reference that are issued within five working days of receipt of management comment on the draft Terms of Reference	95%
The % of draft reports issued within ten working days of exit meeting	95%
The % of final reports issued within ten working days of receipt of management response	95%
The % of audits completed within the budgeted audit working days	95%
The % of audits from the Audit Plan completed by the end of the Financial Year (31 <sup>st</sup> March)	95%
The % of audits completed to the satisfaction of the Client Contract Manager	90%
The % of returned audit client satisfaction survey forms achieving an overall score of 'adequate' or above	85%
The % of returned annual Chief Officer satisfaction survey forms achieving an overall score of 'adequate' or above	85%
The % of returned annual Audit and Governance Committee survey forms achieving an overall score of 'adequate' or above	85%
The % of critical and high recommendations which are followed up within three months of the final report being issued	95%

Internal Audit KPIs (2)	Performance Target Percentage
The % of Audits where field work is started within ten working days of the issue of the final Terms of Reference	95%
The % of exit meetings held within ten working days of completion of audit fieldwork	95%
The % of management responses received within 15 working days within issue of draft report	95%
The % of recommendations in a draft reports that are accepted by the audit owner/ audit sponsor	95%
The % of critical and high recommendations made which are implemented by the agreed implementation date	95%
The % of recommendations made which are implemented at the time of follow-up	95%

### Anti-Fraud KPIs

Anti-Fraud KPIs	Performance Target Percentage
The % of special investigations (including fraud investigations) completed within the agreed investigation	95%

plan	
The % of proactive activities completed in accordance with the agreed work plan	95%
The % of draft reports issued within five working days of the case closure agreement	95%
The % of final reports issued within five working days of receipt of the management response	95%
The % of reactive cases that do not become inactive in excess of seven working days	95%
The % of report revisions returned within three working days or receipt	95%
The % of referrals assessed against the decision matrix within five working days of the referral receipts	95%
The % of preliminary enquiries completed with five working days of referral receipt	95%
The % of cases where there are no breaches of legislation covering investigations	95%
The % of cases which adhere to the fraud file management requirement	95%
The % of cases where case notes are timely, accurate, detailed and completed	95%

Anti-Fraud KPIs	Performance Target Percentage
The % of recommendations made in the draft report that are accepted by the client owner	95%
The % of critical and high recommendations made that are implemented by the agreed implementation date	95%
The % of recommendations made which are implemented at the time of follow-up	75%

### Risk Management KPIs

Risk Management Administration KPIs	Performance Target Percentage
The % of returned risk workshop client satisfaction survey forms that achieve a score of 'adequate' or above.	90%
The % of updates on JCAD of risk registers within five working days of changes being agreed by the Department Risk champion	95%
The % of key reports that are submitted to the Corporate Risk Manager at least three weeks in advance of deadline in accordance with the Board, Group, and Committee timetable for report submission.	95%

### Contract Risk Assessment KPIs

Contract Risk Assessment KPIs	Performance Target Percentage
The % of returned Departmental client satisfaction survey forms that achieve a score of 'adequate' or above	90%

The % of assessments carried out within the deadline agreed with the Client Department	95%
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**Insurance Claims Handling KPIs**

Insurance Claims Handling KPIs	Performance Target Percentage
The % of returned Departmental client satisfaction survey forms that achieve a score of 'adequate' or above.	90%
The % of insurance claims passed to the relevant external authority within the Council's required timescale	95%

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**NOTE:** Original held by Constitutional Team; all amendments/queries to  
Paula Thornton/Everton Roberts Tel: 020 7525 4395/7221

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D Noakes / P Noblet / L Rajan / L Robinson			
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Harriet Harman, MP	1	<b>Total:</b>	<b>77</b>
Tessa Jowell, MP	1		
Simon Hughes, MP	1		
<b>Corporate Management Team</b>			
Annie Shepperd	1		
Romi Bowen	1		
Deborah Collins	1		
Gill Davies	1		
Eleanor Kelly	1		
Richard Rawes	1		
Susanna White	1		
Duncan Whitfield	1		
		<b>Dated:</b> 06/10/09	