Housing Scrutiny Commission

MINUTES of the OPEN section of the Housing Scrutiny Commission held on Tuesday 2 December 2025 at 7.00 pm at Ground Floor Meeting Room G01A - 160 Tooley Street, London SE1 2QH

PRESENT:	Councillor Jason Ochere (Chair) Councillor Emily Tester Councillor Barrie Hargrove Councillor Ketzia Harper Councillor Richard Livingstone Councillor Jane Salmon Brendan O'Brien (Co-opted Member) Althea Smith (Co-opted Member)
OFFICER SUPPORT:	Adam Wood

1. APOLOGIES

Apologies for absence were received from Ina Negoita.

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

There were no late items of business.

3. DISCLOSURE OF INTERESTS AND DISPENSATIONS

Councillor Tester declared an interest in item 6 (the Minutes) as a leaseholder on an estate with district heating mentioned in the Review report.

4. MINUTES

The minutes of the meeting held on 14 October 2025 were approved as a correct record.

5. REVIEW OF THE CURRENT CHALLENGES AND CONTEXT AROUND HOUSING DELIVERY

The Chair introduced the item, explaining that the opportunity to hear directly from Officers, the Cabinet Member and especially partner-developers would inform and enable the Commission to hold Cabinet to account regarding its housing delivery targets. In turn, this means the Commission's recommendations to be published at the end of the Municipal year should be better informed.

The Chair also made a general note to the public, clarifying how the Commission works namely as a body making recommendations to Cabinet rather than making decisions itself. It is for Cabinet to adopt or reject the recommendations.

The Chair then invited Officers (Stephen Platts, Director of Planning and Growth, Colin Wilson, Assistant Director for Strategic Developments, and Cameron Radford, Senior Planner) and the Cabinet Member for New Homes and Sustainable Development (Councillor Helen Dennis) to speak to the Commission and provide some context around housing delivery in Southwark before the Council's developer-partners focused on specifics.

Steve (Stephen Platts) began by describing London's housing delivery crisis, referencing the slides streamed on screen for the Commission and public.

Steve noted that:

- housing delivery in London was at its lowest since records began
- a central constraint is viability (i.e. profitability) at a level sufficient to attract capital compared to alternative investments (e.g. bonds, equities). Without returns commensurate to risk, residential development becomes less attractive to lenders as an investment choice
- further pressures included the collapse in international investment, reduced domestic investment, lack of affordability for buyers, Housing Associations diverting capital away from Section 106 acquisitions towards maintaining existing stock to meet regulatory requirements (in turn increasing risk for developers)
- nationally, there may be issues with the planning system slowing development but, in Southwark, this was not the case

Colin then provided further historical and technical background, informing the Commission that:

- targets around social housing delivery would be difficult to meet without the levels of investment seen in the postwar period up to circa 1979
- earlier policies such as the 2012 NPPF shifted social rent completions to “affordable” rent, driving growth in the housing waiting list and the need for Temporary Accommodation
- with reduced grants and delivery increasingly dependent on Section 106 contributions, dependence on developers and market conditions had increased
- build costs have increased 44% since 2016 whilst growth in flat prices increased only 4%
- increased regulation of, for example, thermal efficiency and safety was important but in a context where regulatory control lacked capacity, the time required for revenue to flow to investments increased by 50%
- viability for first time buyers had decreased (the average income required in 2015 was £68k but £103k by 2025)
- the regulatory regime around student and co-living housing is less demanding than that for private housing, enabling developers of the former to outbid private housing developers in competition for limited sites (although uniquely in London, Southwark also ensures private housing is delivered in student- and co-housing schemes)

Steve then focused on housing delivery in Southwark, observing that:

- Elephant and Castle accounted for the greatest number of approvals although over time it was expected that the relative importance of the Old Kent Road area would increase
- approvals had still met the 35% Affordable target (10% Intermediate + 25% Social Rent) but this was becoming harder to meet give the context described above

Councillor Dennis then explored recent planning developments noting that:

- the Council’s strong focus on Social Rent had meant that, as reported in the GLA’s most recent statistics, Southwark had the highest number of social rent completions and the second highest for social rent starts
- the affordable housing made possible through student- and co-housing would still be possible while fast-track planning was being promoted centrally
- in spite of a range of challenges described above, the Council was still committed to its social housing delivery

In response to questions from Commission members, Officers and the Cabinet Member noted:

- that Co-living and student housing developments had not been a particular objective of the Council but it had had its hand forced to consider these and, with student housing, whilst there were broader policy outcome concerns (e.g. falls in international student numbers), student housing remained

undersupplied in London
- the challenges around delivery were felt particularly strongly in London relative to the rest of the country – for example, in terms of higher build costs in London but also that high-rise, private developments were more likely in London and these were also the type of building subject to the regulatory controls and delays discussed earlier
- that the potential issue of Section 106 funding being used by for-profit Housing Associations has been noted by the Council especially where, for example, those with highest housing needs including, potentially, complex medical needs are being supported and the Council was working to promote the sharing of best practice across providers

The Chair then thanked officers and the Cabinet Member, and invited the Council's partner-developers to speak to the Commission. Richard Palmer (Development Director at Delancey), Oli Campbell (Managing Director, Bouygues Development) and Jamie Hunter (Development Director, The Hill Group) came forward and presented in the order given.

Richard Palmer started by noting how refreshing it was to hear the challenges around development acknowledged and detailed as they had been.

Richard then introduced his work (leading development at the Elephant and Castle for Delancey, a significant developer in the UK with particular focus on London).

For the kind of large-scale developments under discussion, Richard agreed with Steve and Colin's earlier points that the large and long-term capital investments driving development required stable returns to appeal to international investors. Without these, those investors would divert their capital elsewhere – a process which Richard noted is happening and which simpler processes with fewer blockers would instead encourage more stable returns.

Richard spoke of London's housing crisis, noting that to achieve the government's target of 1.5million homes over this parliament, London would need to deliver 88,000, higher than the London Plan's 52,000.

Richard then identified what he thought contributed to the crisis as a "perfect storm" including external factors such as the war in Ukraine in addition to the main construction and legislative environments (build cost inflation, cost of finance, the Building Safety Act etc). He also noted that many of these features were, per se, laudable (e.g. increased safety standards, dual aspect and cycle storage) but their combined impact was, nevertheless, to increase development risks and investment costs.

Richard then closed by suggesting potential solutions, including:
- increased national government support
- additional resource to the Building Safety Regulator
- an extension of emergency measures to help get development going
- relaxation of certain design standards

Next, Oli Campbell introduced Bouygues Development's work for Southwark: on the Tustin Estate; a project for Key Workers and redevelopment of LSE's Bankside site.

Oli commented on the breadth of the officer presentation and picked up on the question of financing, adding further detail. Here, he noted that as a key metric of the financial markets, 10 Year Gilts, contributed to the pricing of private and Housing Association capital. Recent significant movement in bond prices have affected what developers can and can't do. The net effect is that developers have taken more guarded, conservative approaches to new projects.

Oli also spoke about the supply of land, noting that buyers had sometimes failed to develop land because of higher financing costs coupled with drop in demand. As well as slowing transactions, this also means that owners of land can exercise their option to wait until the development climate improves, hindering the challenge around housing.

In the case of public land, changes to Masterplans can make them unviable and/or, politically, increase the need for consultation with residents. Whilst important parts of local democracy, these changes and assurance can affect the costs and risks which developers have to bear.

In addition to increasing construction costs, Oli also noted the increased fragility of the supply chain. For larger developers, this has driven them to be much more cautious around who they sub-contract to. A knock-on effect is important: with activity decreasing alongside a fragile supply chain, skills can be under threat.

Oli then spoke about two aspects of how building safety affects housing delivery. First, in terms of viability, the requirement for two staircases has increased what needs to be built relative to what can be sold with clear effect on viability. Second, the extra time, costs and risks required in producing Stage 4 design pushes back even more the time at which revenue can start to flow to the developer. This extra cost and risk can more easily be absorbed by larger developers and is likely to have a higher impact on SMEs.

Lastly, in relation to affordable homes and drawing on the *Making Social Rent Homes Viable* paper, Oli made the point that, in his view, the cross-subsidy model wouldn't work and that what was needed was increased direct subsidies to fund housing.

Jamie Hunter then spoke of The Hill Group's work as the 2nd largest privately owned housebuilder in the UK, often working in joint venture with local councils and housing associations. In Southwark, The Hill Group has worked with the Council to deliver 900 homes.

Jamie referenced earlier discussion around the importance of the supply chain, noting their work in supporting and sustaining the development of skills and of

SMEs themselves.

Jamie also highlighted the role of supply chains in viability, noting that in his view, where supply chains were carefully managed and working, prices were beginning to come down.

Jamie identified two ways to reduce development costs (in addition to those already made): first, through involving partners early in the design process; second, where relevant, considering the use of modular construction.

Jamie closed by proposing the increased use of public-private investment partnerships where both parties jointly invest. As a model which sits outside public procurement, it can, in his view, be a useful model for delivering quickly where values and outcomes are aligned.

Commission members then asked questions of the developer-partners with responses noting:

- that land-purchasing strategies varied and included purchasing with options, purchasing conditional on planning consent included and, occasionally, sales for zero land value with mechanisms then for limiting developer profits
- that viable schemes which included all planned affordable housing was ideal but when viability would not be achieved, it was helpful to have alignment around the outcomes all parties would work towards
- profitability fluctuated as when construction cost inflation reached 5-6%, reducing profits accordingly, the risk had to be borne by developers
- that to support the demand side and help to make housing more affordable, one additional strategy to those mentioned included Build to Rent
- that Shared Ownership was a useful option in a wider “menu”, providing a step onto the housing ladder as long as there was clarity and fairness around service charges
- that the value of relaxing design standards to aid delivery was debatable
- that while new safety requirements were creating difficulties, they were recognised as valuable
- the value of developing skills and creating the conditions for employment, especially for young people was key – as well as facilitating apprenticeships, Section 106 funding could provide a way to retain and continue developing young people’s skills as could a more explicit focus on social value by all parties in the supply chain
- the recommendations they would make to increase housing delivery include decreasing the time taken to get Section 106’s signed, decreasing political involvement in the planning process (e.g. where an officer recommends approval, this should stand – with Members therefore “YIMBYs” by default), innovate new routes to partnership delivery, use early involvement of a preferred bidder to combine the Council’s land and knowledge of resident needs with the developer’s know-how and resource

The Chair thanked the developers for their contributions.

6. REVIEW OF DISTRICT HEATING AND RELATED ISSUES

The Chair invited officers to introduce themselves – Tom Vosper (Strategic Project Manager for Heat Networks), Ryan Collymore (Director of Repairs and Maintenance) and Paul Gathercole (Gas and Water Contract Manager).

Taking their report as read, the officers responded to questions from the Commission, noting that:

- guarantees against mechanical failure (for example of those components responsible for activating heating systems) could never be 100% effective and so the Council had used extensive testing of the compensating mechanisms to check for and remedy any failures
- other strategies (e.g. planned maintenance, increased testing during cold periods, AI remote monitoring-testing) formed part of the work to deliver better services
- it is planned that Acorn Estate would gain an additional source of heating via the SELCHP network providing a further line of defence in case of heating failure
- internal controls so that residents could adjust the temperature within their properties were being added (through radiator thermostatic controls, for example)
- on some estates, the existing heat pipes ran in such a way that the buildings could become hot and where it was not practicable to replace the whole system – in these cases, the Council had managed to lower operating temperatures to some extent although it was a fine balance ensuring water temperatures were hot enough to kill Legionella without creating excess discomfort for residents
- overheating can occur for a range of reasons depending on the particular system architecture in place
- work was underway to install heat metering (with accompanying radiator and room thermostat controls) so that residents had the incentive and means to maintain their property’s temperature at comfortable levels
- consultation with both homeowners and tenants on the Consort Estate had helped to identify individual problems (e.g. lack of adequate insulation on cylinders) and this work would be supplemented with longer term changes such as heat meters and controls
- 95% of the Council’s properties had mechanical or electrical thermostats to prevent the hot water from becoming too hot – having been presented with the case of one property with hot water reaching 90 degrees Celsius (then rectified), officers asked for any similar cases to be brought to their attention as the high temperatures presented a safety concern and suggested a component failure warranting urgent intervention
- the question of billing and clarity for residents was complex as there was no one process – billing differed for properties with heat meters and those without, and then by tenure type

- in addition to the above four billing types, a small number of residents in new builds were billed on a credit basis via an external company
- some residents were angry as, from 2022, they may have faced both very large increases in gas costs and increases in repairs and maintenance costs
- the gas cost element of bills has already reduced in some cases and looks likely to reduce for all residents in the future though this is market-dependent
- given the issues and strength of feeling, officers were in agreement with Members that billing should come back to a future Commission
- early indications of the trial using AI to collate and report failures early were that it was saving money and improving satisfaction – a more complete evaluation at the end of the winter should show whether it was worth continuing the investment and, if so, where it might be used elsewhere in the Borough
- isolating floors or blocks within estates so that shutdowns of heating and/or water systems can be limited to as few homes as possible while works are being carried out was possible and isolation valves had been installed across the Borough to help with this – more work was still needed and this would happen subject to available funding

7. UPDATE ON PROGRESS IMPLEMENTING THE GOOD LANDLORD PLAN

The Chair invited officers to introduce themselves – Ryan Collymore (Director of Repairs and Maintenance) and Abi Oguntokun (Director of Landlord Services).

Ryan and Abi responded to the Chair's invitation with Ryan noting this was an update on previous work coming under The Good Landlord Plan and which included:

- progress being made on electrical testing and smoke alarms although not as much as planned with 25% no access to properties
- trying different ways to communicate with residents to gain access and conduct testing
- increased contract capacity to assist with testing and smoke alarm installation
- 20% stock condition survey completion by March
- Plentific (a platform for showing contract jobs and inviting bids from contractors) going live on 11 November with an average of 5-6 bids per job indicating value for money from the approach
- Estate surgeries which launched in October as part of the Better Estates element of The Good Landlord Plan and which were held across leisure centres, TRA Halls, and local libraries
- finding new ways to communicate with residents generally but also to help spread news of the surgeries and increase attendance
- work to reduce the complaints backlog had been successful with no complaints by September (down from 700+ in May)

- the new Resident Engagement Strategy being agreed today by Cabinet which would lead to establishing the new Resident Housing Boards and ensure resident voice feeds effectively into decision-making
- the monthly resident newsletter now including performance data

Officers then responded to questions from Commission members, noting that:

- communications could improve further and, specifically, the information around Estate Surgeries had recently been improved and made available online
- the Tenants Forum and Homeowners Forum would have two representatives on the Boards
- the pilot for the Stock Condition Survey showed 93% decency (based on the two estates in which it was conducted) which was slightly higher than expected but, as the survey proper extended, this figure would likely vary with the level of investment in a given estate
- the condition of Thaxted Court and Damory House and reported in their Stock Condition Surveys had led to plans for their regeneration
- Resident Services Officers were conducting the Estate Surgeries as tenancy surgeries, not repair surgeries, however, they were signposting residents to the repairs teams – Repairs Action Days still happen and are additional to the Estate Surgeries
- the programme of Repairs Action Days was close to finishing with just a few estates left – following comments from Commission members, officers would return to the Commission and discuss possibilities around combining estate surgeries and repairs information
- the Resident Engagement Plan had been revised to reflect concerns from some residents as well as recommendations from independent consultants
- reducing the number of Stage 1 Complaints to zero had negatively affected the number of Stage 2 Complaints although additional resource was being employed to reduce this

8. WORK PROGRAMME 2025-2026

The Commission had two meetings remaining in the Municipal Year (February and March 2026). The Chair and Vice-Chair would meet with the Scrutiny team to plan for the February meeting on social landlord communications with residents and partners.

The Commission also discussed the importance of work in respect of Voids (including “pre-voids” i.e. homes which had been left empty but without yet being officially registered as such), Empty Homes and downsizing, and the potential to include this in the work programme.

Meeting ended at 10:07pm.

CHAIR:

DATED: