

<b>Item No.</b> 19.	<b>Classification:</b> Open	<b>Date:</b> 7 December 2021	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Ledbury Estate Towers - Future redevelopment update	
<b>Ward(s) or groups affected:</b>		Old Kent Road	
<b>Cabinet Member:</b>		Councillor Stephanie Cryan, Council Housing and Homelessness	

## **FOREWORD - COUNCILLOR STEPHANIE CRYAN, CABINET MEMBER FOR COUNCIL HOMES AND HOMELESSNESS**

In 2017 concerns were raised by a resident about the fire safety of the four tower blocks on the Ledbury Estate. We took swift action, and have worked closely with resident to secure the future of the Ledbury Estate. Following a successful ballot earlier this year where the residents in the four tower blocks voted to regenerate the estate, we have allocated a project team, appointed a design team, worked closely with Ledbury residents to prepare designs, and gained approval to take the scheme to planning.

This cabinet report seeks approval for a budget to appoint a contractor to deliver 340 high-quality new homes, the majority of which will be for council rent. Not only will we be replacing existing homes, we will also be building additional and much needed new council homes to help meet the needs of the 16,200 households on our housing allocations list.

The replacement homes will meet the commitment made in the Landlord offer to Ledbury residents. We have worked closely with Ledbury residents, local community groups and other stakeholders to prepare designs that meet the requirements of the Landlord offer and reflect the views and feedback from those living on the estate. The wider community will also benefit from the development, as we will provide a new TRA hall and provide better quality green and play spaces across the estate.

I want to thank the members of the Resident Project Group for their ongoing commitment and dedication to the future of the Ledbury, along with the wider members of the Ledbury community who have given us a clear direction through both the ballot and TRA vote results.

## **RECOMMENDATIONS**

### **Recommendations for the Cabinet**

1. Approve a variation to the Housing Investment Programme for funding of £149.58 million to enter into a Works contract following approval of a contractor appointment.
2. Approve a variation to the Housing Investment Programme for funding of £19.16 million of on costs required to take the project to Practical Completion
3. Note project progress since the July Cabinet paper along with progress of related processes.
4. Note the ongoing engagement with the local community and thank all residents, and in particular the Resident Project Group, for their contribution.
5. Note the intention to deliver a greater number of council rent homes as part of sub-Phase 2 of the redevelopment.
6. Note delivery programme, financial implications and associated risks of the project.
7. Note that approval and appointment of a contractor will be carried out via the council's constitutional process of Gateway 2 process in summer 2022 to enable commencement of works by September 2022.
8. Note the procurement update.

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

9. Not applicable for this report.

## **BACKGROUND INFORMATION**

10. The successful result of the resident ballot where the majority voted for the demolition of the four tower blocks, provided a mandate for redevelopment and provision of additional new homes.
11. This result was ratified by cabinet in July 2021 along with formal approval for the project to proceed to deliver a minimum of 333 homes on the Ledbury Estate with a variation to the Housing Investment Programme for funding of £5.4 million to take the project, subject to planning consent, out to tender for a contractor. This paper now seeks to ring-fence the budget required in order to let the build contract and take the scheme to practical completion.

12. To secure GLA (Greater London Authority) funding allocation of circa £27.8 million construction works must commence by September 2022.

### **Project Progress**

13. A consultation and resident vote held in July, resulted in the extension of the red line boundary to the site comprising three of the four tower blocks, to include the redevelopment of the Tenant and Resident Association (T&RA) hall.
14. The extension of the redevelopment area enables the delivery of more homes, provides a direct benefit for the Ledbury community in the form of a new and improved facility and enables the delivery of a more holistic design, which will blend in with the rest of the estate. This is expanded upon further on in the report.
15. Completion of the procurement of the wider design team and other required consultants enabled due diligence to be carried out and exploration of several options regarding building typologies and flat layouts in consultation with the Resident Design Group, This has resulted in fixed building typologies and layouts of the homes.
16. At the end of the first design stage, the Resident Design Group has provided a statement of support for the designs including a list of aspects of design to be worked through in the next design stage.
17. Throughout the design process, in addition to regular standing meetings, members of the Resident Design Group have attended design training sessions to enhance their understanding of design development. Alongside this, a series of consultation events has also been held with the wider community. Further detail is included in Consultation section below.
18. The project team has also been meeting with statutory consultees, including The GLA, to ensure that the design proposals are being developed in compliance with current planning requirements and other statutory regulations including Building regulations.

### **Related processes**

19. Due to the nature of the project i.e. occupation and live rights, there are other processes that are being progressed in tandem with the development of the design proposals to enable the commencement of works by September 2022.

### **Initial Demolition Notices (IDNs)**

20. Initial demolition notices were issued to residents of the tower blocks on 28 October 2021 to enable redevelopment of the estate.
21. Serving of these notices was required to formally inform residents of the

council's intention to proceed with the future demolition of their homes, and temporarily suspend or end any qualifying tenant's Right to Buy (RTB) claim, for up to seven years, until they move into their new home.

### Rehousing update

22. As of 4 November 2021, of the 224 homes, 21 properties are occupied by secure tenants, 18 leasehold interests remain and 103 homes are being used as temporary accommodation.
23. The redevelopment of Bromyard House is the first sub-phase of the development. It is currently occupied by four tenants and there remain three leasehold interests although the leaseholders are temporarily residing in other blocks.
24. The council is seeking to achieve vacant possession of the first of the two sites earmarked for redevelopment in order to achieve a September 2022 commencement of works. This will include the termination of the remaining four tenancies in Bromyard House and the acquisition of the three remaining leasehold interests.
25. A breakdown is included in the table below;

*Table 1 – Ledbury Estate Tower blocks: Occupation data*

<b>Tower block</b>	<b>Secure tenants</b>	<b>Leasehold interests</b>	<b>Temporary accommodation</b>
Bromyard House	4	3	0
Peterchurch House	3	3	29
Skenfrith House	6	6	40
Sarnsfield House	8	6	34

### Acquisition update

26. Terms have been agreed with one of the leaseholders in Bromyard House and negotiations are being taken forward with regard to the other two properties where leasehold interests remain.
27. In addition to the leasehold interests set out above a mobile phone telecoms aerial is located on the roof of Bromyard House, which is protected by the Electronic Communication Code. Officers have served the necessary legal paperwork to terminate the aerial tenancy and discussions are ongoing with the Operator with regard to the temporary replacement of the telecommunication equipment before it is moved permanently to another residential block on the Old Kent Road.

28. Whilst negotiations to obtain the remaining interests are progressing in order to deliver vacant possession of Bromyard within programme, a further report seeking Cabinet approval to make a Compulsory Purchase Order on Bromyard House and the area surrounding it will come forward in January 2022. A CPO will safeguard the Council against programme and funding risk if negotiations become protracted and will also ensure that the Council has clean title of all land required to deliver the first sub-phase of the scheme.

## **KEY ISSUES FOR CONSIDERATION**

### **Extension of the red line boundary**

29. The only notable change to the project scope is the extension of the red line boundary to include the redevelopment of the T&RA hall as referred to in section 14 above.
30. The vote overseen by Open Communities was publicized via an explanatory booklet delivered to each household that qualified to vote in the Ballot held in March 2021 and via the weekly estate newsletter as well as posters.
31. These were followed by an on-line drop-in session along with a consultation event providing residents and stakeholders the opportunity to ask questions and also view the initial masterplan layouts. Residents were able to participate in the vote by returning the survey either by post, email or the ballot box located in the T&RA hall.
32. Of the 369 qualifying households, 58 (16%) participated in the vote held on 21 July 2021. The vote resulted in 45 (79%) opting to include the redevelopment of the hall within the project.
33. Following formal approval of the project and appointment of a design team, due diligence and detailed site analysis was carried out including discussions with Transport for London, a statutory consultee, regarding the Bakerloo Line extension safeguarding zone.
34. This resulted in a reduction to the density previously assumed deliverable in that section of the site based on an initial feasibility assessment. Therefore, the extension of the red line enables the project to deliver a density of 340 homes that otherwise would not have been achievable as well as an improvement to the layout of the scheme, integration with existing homes and the provision of a new and improved facility for the Ledbury community.

### **Procurement strategy**

35. To deliver the highest quality homes that provide best value for money, the project team considered several contractual arrangements available to the council including entering into a partnership/joint venture arrangement.

This was discounted in favour of the direct appointment of a build contractor via a Design and Build contract, which will provide the following assurances:

- cost certainty to ensure value for money;
  - reduced risk to the council when compared with the other options;
  - provision for a single point of responsibility i.e. the main contractor;
  - early contractor involvement and buildability to help manage programme risk.
36. This procurement route is also advantageous to the council as it one with which officers have experience of successfully administering.
37. As the contract value is above the current WTO GPA threshold<sup>1</sup>, the project team will progress this by exploring the available contract frameworks from which the council can call-off to ensure the timely appointment of a contractor, in line with the programme.
38. Once appropriate frameworks have been identified, a soft market testing exercise will be undertaken to inform the market of the project and gauge interest to mitigate the risk of suitable contractors being at full capacity when this project goes out to the market.

## Key Risks

### Programme risk

39. The project currently remains on track to commence works by September 2022 to secure the GLA funding allocation. Key milestone dates are set out in the table below:

Planning submission	End of January 2022
Planning consent	End of May 2022
Start on site (and securing GLA grant allocation)	September 2022
Practical completion	July 2029

40. However, Cabinet should note that achieving a Start on Site by September 2022 is incredibly ambitious. From officers' previous experience of major regeneration schemes and advice from the Employers Agent, the dates above represent the best-case scenario in which the Start on Site is only just attainable. Initial dialogue with The

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<sup>1</sup> World Trade Organisation Agreement on Government Procurement is replacing OJEU. The threshold for this is £4,733,252.

GLA has commenced with a view to examining what options may exist to prolong the timeline if it is required.

41. Due to the history, size, scale and impact of the project, a significant level of engagement is required with key stakeholders. This includes the residents of the estate who influenced the proposals from the initial design stages via the Landlord Offer, which sets out several criteria for the new homes.
42. To date, the Resident Design and Resident Project Groups have approved the end of RIBA stage 1 proposals as regular meetings have been held to discuss each aspect of the design proposals. But this process could impact programme as the proposals become detailed in the third design stage, potentially requiring more time for members of group to understand, digest and come to a consensus. Engagement carried out to date is covered further on in this report including training sessions implemented to help mitigate this risk.
43. Feedback from statutory consultees requiring significant re-design could lead to a programme delay. The key consultees, Transport for London (TfL) and The GLA, were engaged early on in the project and being kept abreast of project progress with feedback being incorporated within the evolving designs. However, whilst The GLA are supportive of progress to date, further detailed discussions and information are required with TfL to allay concerns raised about proposals within the Bakerloo Line extension safeguarding zone. The project team is confident that this will be resolved as a risk averse approach has been taken in form of the foundation strategy and the height proposed.
44. Further discussions with TfL are ongoing with regard to highways and wider transport implications arising from the development. Whilst, at present, these discussions have been extremely productive, officers are mindful that any conflict arising may impact on the current programme.
45. Vacant possession of Bromyard House is being actively addressed as set out in the Acquisition update section above and the Rehousing policy section below. Failure to achieve vacant possession and the receipt of a clean legal title of surrounding land will mean that commencement of works by September 2022 will not be achievable. As such, this is a key priority for officers.
46. Should works not commence by September 2022 this could potentially lead to loss of a minimum of £27.8 million of GLA funding and reputational damage to the council from the perspective of key stakeholders. This includes residents waiting to return to safe and permanent homes, who in a worst case scenario could have to wait indefinitely should negotiation be required for a new allocation within the next GLA funding programme.

## **Financial risk**

47. Due to the complexities of the site and meeting statutory policy requirements coupled with stringent requirements set out in the Landlord Offer document, it is proving challenging to deliver a scheme that represents best value for the Council. This is compounded by the level of density achievable on the site limiting the number of sale homes that can be delivered to subsidise the large quantum of council rent homes. However, this is being continually monitored to drive an improved value whilst ensuring the Council's standards are not compromised.
48. Further financial risks are considered within the closed version of this paper.

## **Construction and Delivery risks**

49. Demolition of the four fourteen storey tower blocks on a floor by floor basis will be a complex nine month process for each block. This will add cost and ensuring this work is carefully considered and executed the Council's expected level of satisfaction will be a critical element of the procurement of a contractor.

## **Policy framework implications**

### **Planning policy**

50. The detailed design of the redeveloped estate will also align and comply with National, and Regional policies including the newly adopted London Plan (2021). And also Local Planning policy frameworks including the draft Old Kent Road Area Action Plan (OKR AAP) and the New Southwark Plan, which is yet to be adopted.

### **Southwark's Borough Plan**

#### **Homes for All policy**

51. The development proposals entail the delivery of 340 new high-quality homes, the majority of which will be for council rent. This in line with the Homes for All policy as the new homes will address housing need of the immediate community and contribute to addressing housing need in the borough, which could also help to reduce rough sleeping in the borough.

#### **Thriving neighbourhoods**

52. The completion of the new homes inclusive of enhanced green and play spaces, community provision in the form of a new T&RA hall with multi-use areas and broadband will significantly enhance quality of life on the Ledbury Estate.
53. This will also have a positive impact on the wider Old Kent Road area due



to a new street frontage, improvement to routes through the estate and provision of safe cycle storage for both the re-provided and new households to enable an increase in cycling in the borough thereby contributing to the Healthy Streets Initiative and helping the environment.

## **Rehousing**

54. The existing housing allocations scheme will prioritise the affected residents temporarily residing in the three tower blocks to move to the Bromyard site, referred to as sub-phase 1. This will ensure that these 37 households only have to move once, in line with the Landlord Offer whilst also ensuring vacant possession of that site to enable works to commence on sub-phase 2 without delay.
55. Other existing residents will then be allocated the remaining available council rent homes on sub-phase 1 based on their current need.

## **Community, equalities (including socio-economic) and health impacts**

56. Section 149 of the Equality Act 2010 lays out the Public Sector Equality Duty (PSED), which requires public bodies when taking decisions to have due regard to the need to:
  - a) Eliminate discrimination, harassment, victimisation or other prohibited conduct
  - b) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it
  - c) Foster good relations between those who share a relevant characteristic and those that do not share it.
57. The council through a process of regular review has been considering the impact on all protected groups throughout the development of the council's proposals for all regeneration projects within the borough. This has led to the council developing rehousing policies for leaseholders and tenants affected by regeneration proposals in the borough.
58. These have identified that the council has a range of measures in place to mitigate any potential impacts of regeneration proposals, including:
  - a) Rehousing policies through the council which provide a range of local re-housing opportunities that enable residents to move locally (if they choose to do so) to a new home that meets the needs of their family and financial position, following an assessment based on the specific needs of each household.
  - b) A dedicated team of officers which supports both tenants and leaseholders through the rehousing process.
  - c) Providing support and guidance about a range of routes to all residents affected by regeneration but with particular focus on those that may be vulnerable or in need of additional support.

- d) The development of new homes in the borough which will provide high quality homes to modern standards for residents in the borough to move to.
59. Therefore, the council considers that the potential impacts of the scheme are fully addressed through the operation of its rehousing policies and provision of dedicated support and guidance available through council officers and local independent organizations that provide support and guidance to Ledbury Estate residents.
60. Further detail is set out in the subsequent sections as well as the provision of an updated Equality and Health Impact assessment (EQIA) originally commissioned and discussed in detail in the July Cabinet paper. This can be found in Appendix 1.
61. Following review of the updated EQIA the actions the Project team will be taking forward is analysis of feedback received from engagement and consultation carried out since July of this year, and where possible, continue to use it to inform and shape the design proposals throughout the duration of the design process. The Housing team will continue to review the needs of the residents who want to exercise their right to return to the estate.

### **Community impact statement**

62. The redevelopment proposals entails the demolition of 224 homes, which are no longer fit for purpose. The re-provision of new homes will be of a high quality and compliant with current statutory policies, requirements and regulations including fire safety and sustainability.
63. These will enable residents the option to return to the estate to permanent homes, which will afford them peace of mind. In addition to this, residents will enjoy homes of the same space standards as their previous homes or above, in line with the terms set out in the Landlord Offer document.
64. The provision of half of the additional homes for council rent will address the housing need identified on the Ledbury Estate and provide homes for others across the borough with most need for safe and secure housing.
65. The wider Ledbury community will directly benefit from the re-provision of new and improved facilities, namely a new T & RA hall, which has been designed as the hub of the community, a new mixed use games area, currently predominantly used for football. Following feedback from younger residents, there will also be improvements made to the skate park area/BMX track located in Bird in Bush Park.
66. There will also be an increase in both the quantum and usability of green space on both development areas, as well as an increase in quantum and variety of play space. There will also be a series of small interventions across the estate to help integrate the new provision with the existing

homes, such as an improvement to the Bromyard courtyard area.

67. All of the above is being designed with close engagement with members of the community as referred to in other sections of this report.

### **Equalities (including socio-economic) impact statement**

68. One of the differences between the residents temporarily rehoused as a result of a direct impact of the redevelopment is tenure. Residents are made up of tenants and leaseholders. Regardless of this, all residents are treated equally and additional support has been provided where identified and/or requested.
69. The design proposals for redevelopment has been informed by the commitments set out in the Landlord Offer, which addresses the specific concerns, needs and requirements of residents of both tenures. This has been continued through ongoing engagement with the Resident Project and Design Groups, which comprises a mix of leaseholders and tenants ensuring that the views and feedback from all are treated the same regardless of socio-economic status.
70. Open Communities, an independent tenant and leaseholder advisor is also available to both residents currently residing on the estate and those who have been rehoused.
71. The provision of additional of new homes will also be available for council rent and sale on the open market, where they same duty of treating all equally will apply.

### **Health impact statement**

72. The redevelopment of the Ledbury Towers is essential to address the structural and fire safety issues identified in 2017 resulting in the temporary rehousing of the vast majority of households.
73. The completion of the new homes will enable residents, who choose to return, the opportunity to return to energy efficient homes compliant with that latest policies and regulations.
74. Permanent homes will enable residents with health issues and those who may have been in homes that no longer suited their needs the opportunity to move to more suitable homes. This will have a positive health impact on all these households as this address both their physical and mental well-being.

### **Climate change implications**

75. On 18 June 2019, the council's Cabinet agreed the resolution passed by the council assembly on 27 March 2019 to "declare a Climate Emergency and do all it can to make the borough carbon neutral by 2030." The

Cabinet noted “that there are considerable financial savings to be made by ‘going green’, whether it be more energy efficient lighting, smart meters at council properties, or piloting energy generation schemes such as installing solar panels on council properties”.

76. The government estimates that residential buildings account for 27% of Southwark’s carbon emissions. The council’s direct emissions account for 12% of the borough’s emissions and council housing is the second largest contributor to carbon emissions at 14%.
77. In line with this, the proposed redevelopment will be designed to meet the highest energy and sustainability targets in line with both the council’s and GLA policies. The energy strategy will follow the four step Energy Hierarchy outlined in the London Plan:
  - Be Lean: fabric first approach with low u-values and air permeability, high efficient lighting and mechanical ventilation to reduce energy demand
  - Be Clean: connection to the local SELCHP district heating network for low carbon heating and hot water supply to all uses in the development
  - Be Green: solar PV will be maximised in all available roof space
  - Be Seen: the development will incorporate a monitoring strategy to reduce the performance gap.
78. Furthermore a Whole Life Cycle Assessment will be undertaken to ensure embodied carbon associated with the construction of the buildings is minimised as much as possible.
79. Through this strategy it is expected that the carbon reduction on site will be significantly above the London Plan minimum target of 35% reduction in regulated carbon dioxide emissions and the development will contribute to a low carbon future.

### **Resource implications**

80. Following permanent appointments to the New Homes Development Team in March 2021, a full project team is in place to deliver the project. Appropriate resourcing through the support of the Chief Executive’s department and the My Southwark Homeowners Team is also in place to deliver the acquisition of leasehold interests on the estate, whilst the Ledbury Team already in place will deliver the rehousing of secure tenants and temporary accommodation from the estate.
81. The council has an ambitious regeneration programme underway, which is likely to increase officers’ workload over the next few years. If run concurrently, current staff structures could become overburdened. Officers review staffing resource implications regularly so are able to identify potential issues before they become problematic. Should this be the case, Cabinet will be notified accordingly.

82. Ledbury accounts for a significant amount of Southwark's expenditure over the next eight years. With an estimated build cost of £149.58 million, this represents the largest directly delivered residential-led project in Southwark. The impact of this is considered in greater detail in the financial implications section of the closed report.

### **Legal implications**

83. Please refer to the legal concurrent below from the Director of Law and Governance.

### **Financial implications**

84. The design proposals propose 340 homes. This is based on the density achievable within the constraints of the site and the project. Constraints include the footprint of the site, the Bakerloo Line extension safeguarding zone as discussed earlier in the report, the surrounding conservation area, guidance provided by the planning team as well as the terms of the Landlord Offer and the ratio of council rent homes to those for sale.
85. However, a 22-storey tower block is proposed within the section of the Old Kent Road site, which allows an opportunity for height. A 14 storey tower is also proposed on the Commercial Way site, as per the existing block. These enable the scheme to achieve the current density whilst also meeting the residents' aspirations for the re-provision of their homes at height so that they can return to the views previously enjoyed.
86. A closed version of this report contains details regarding the financial position as it contains information exempt by virtue of category 3 of paragraph 10.4 of the Access to Information Procedure Rules of the Southwark Constitution.

### **Consultation**

87. The relationship with the Resident Project Group and Resident Design Group remains positive and the community is being engaged alongside the design development process so that feedback, where possible, is reflected in the designs. The development is being significantly enhanced with the involvement of the community and is helping to deliver a place that is truly designed with our residents at its heart.
88. Feedback has helped shape the proposals from first design principles through incorporation of the terms of the Landlord Offer, the inclusion of the T&RA hall, provision of the type of play equipment through speaking with young children as well as the finer details via the Resident Design Group including massing, height, orientation and practical aspects such as estate servicing.

Below is a summary of engagement carried out to date since the July Cabinet paper;

Event	Details
21 July 2021	Red line boundary consultation/Exhibition of masterplan layout  Resident vote on inclusion of the T &RA hall within the design proposals/share design progress with the Ledbury community
September – November 2021	Design training sessions for the Resident Design Group
11 September 2021	Play Space event  Aimed at young children aged 11 and under to listen to views about provision of new play equipment
23 September 2021	Making Space for Girls event  Aimed at young people from 11 – 18 to listen to their views about how to ensure safe spaces are created for them to enjoy.
19 October 2021	Visit to the Phoenix Community Centre  A visit open to all residents of the estate to see an example of a successful community space to provide inspiration for the new T & RA hall.
6 and 10 November 2021	Public exhibition  Share with the Ledbury community progressed design proposals for feedback.
January 2022 (TBC)	Public exhibition  Share with the Ledbury community the final design proposals ahead of submission of a planning application.

89. Updates about events held to date are regularly updated on the council's engagement platform, Commonplace.
90. The head teacher of Camelot Primary School, a key stakeholder due to the proximity of, and location of the school between the two areas to be redeveloped, has been engaged via an in-person meeting, invites to the monthly Resident Design Group meetings along with a copy of the report produced by the design team summarizing the design proposals at each stage as well as invites to the community events and consultations.

91. Internal stakeholder engagement meetings have also been held to ensure that that all relevant teams from Housing to Parks are informed about the design proposals and their feedback incorporated to ensure that the high quality homes and associated spaces strike the right balance between aesthetics, functionality and maintenance.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

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

92. Paragraphs 35 to 38 of this report outline the proposed procurement strategy which will involve exploring available framework agreements from which the council can call off to ensure the timely appointment of a contractor, in line with the programme. Paragraph 46 of this report confirms that the project remains on track to commence works by September 2022 to secure the GLA funding allocation. The procurement strategy will be subject to approval via a Gateway 1 report and the subsequent award of contract will be via a Gateway 2 report.
93. Paragraphs 22 to 25 of the report provide an update on the rehousing of residents since Cabinet made decisions on the recommendations in the July 2021 report. Cabinet members are referred to the comments of the Director of Law and Governance in that report. There are no further legal implications arising from the rehousing housing update in this report.
94. Further legal advice will be obtained in relation to the various workstreams as the project progresses.

### **Strategic Director of Finance and Governance (H&M 21/102)**

95. This report provides an update on the progress made with the council's plans to redevelop the site of the Ledbury Estate Towers and seeks Cabinet approval for funding of an additional £168.74 million to enable the procurement of a main works contractor and provide for associated on costs necessary to take the project to completion. The costs of the redevelopment are still estimated at this stage and are subject to change, particularly given the volatility experienced in the construction industry over recent months. This is a large, complex project, involving the demolition of four tower blocks and the construction of an estimated 340 new homes and carries with it significant risks for the council as outlined in the report.
96. The amount of borrowing necessary to support the delivery of this project, currently estimated to peak around £134 million. This will also impact significantly on the borrowing capacity for the Housing Investment Programme and will, therefore, have wider implications for the overall investment programme requiring a reschedule and re-prioritisation of programmes and projects. The borrowing required to support this project will also require long term payment of interest, which will reduce revenue budget capacity for day to day service needs, meet new and emerging

commitments and manage unforeseen events.

### Other officers

97. Not applicable.

### BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Cabinet report: Ledbury Estate Towers update on resident ballot and future redevelopment  (Item 13)	Southwark Council, 160 Tooley Street	<a href="mailto:Paula.thornton@southwark.gov.uk">Paula.thornton@southwark.gov.uk</a>
<b>Link (copy and paste into browser):</b> <a href="https://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=7014&amp;Ver=4">https://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&amp;MId=7014&amp;Ver=4</a>		

### APPENDICES

No.	Title
Appendix 1	Equality Health and Impact Assessment



## AUDIT TRAIL

<b>Cabinet Member</b>	Councillor Stephanie Cryan, Council Homes and Homelessness	
<b>Lead Officer</b>	Michael Scorer, Strategic Director of Housing and Modernisation	
<b>Report Author</b>	Mike Tyrell, Director of Ledbury	
<b>Version</b>	Final	
<b>Dated</b>	25 November 2021	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments Included</b>
Director of Law and Governance	Yes	Yes
Strategic Director of Finance and Governance	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>		25 November 2021