

Item No.	Classification: Open	Date: 7 October 2022	Decision maker: Cabinet Member for Council Homes and Homelessness
Report title:		Tustin Estate Low Rise Redevelopment Programme Local Lettings Scheme	
Ward(s) or groups affected:		Old Kent Road	
From:		Cheryl Russell – Director of Resident Services	

RECOMMENDATION

That the Cabinet Member for Council Homes and Homelessness:

1. Approves the local lettings scheme for the allocations of the new council homes built as part of the Tustin Estate Low Rise Redevelopment Programme where 100% of the properties will be prioritised for existing council tenants and resident leaseholders on the Tustin Estate.
2. Approves the local lettings criteria for the new homes as set out below:
 - i. Council tenants will be guaranteed a newly built council home on the Tustin Estate.
 - ii. Resident leaseholders will be offered a newly built home on the Tustin Estate through outright ownership, shared equity, shared ownership or an equity loan.
 - iii. The local area is defined as the Tustin Estate. First priority is given to council tenants of Hillbeck Close, Kentmere House, Heversham House, Bowness House and Manor Grove, and second priority is given to residents on the housing waiting list prior to 11 March 2020 or council tenants in Grasmere Point, Windermere Point and Ambleside Point who are living in overcrowded accommodation or are in housing need.
 - iv. Council tenants and resident leaseholders will be pre-allocated a home off-plan based on prioritisation of housing need, medical need and how long they have lived on the estate. Households will be prioritised in existing priority bands and priority stars in accordance with the council's published allocations scheme.

- v. Residents who currently live on the ground floor, have a private garden or both will be allocated home on a like for like basis.
- vi. If council tenants are currently in a larger property than their need, they will be eligible for a property with one more bedroom than their need, however they may downsize if they wish to do so. If residents are not currently in a home larger than their need, they will be not be eligible for a home with extra bedrooms. Residents will not be permitted to move into accommodation that creates overcrowded circumstances.
- vii. Residents aged 55 or over on completion of the new homes will be eligible for one of the Over 55s homes.
- viii. Council tenants and resident leaseholders may wish to move to a home in a later phase in which case they will be allocated a temporary new home in Phase 1, which will be chosen after other residents have chosen a permanent home in Phase 1.
- ix. Residents will need to register for rehousing but will not need to bid for the new homes. Residents will choose a home from a booklet and will be invited to attend an exhibition where the plans will be displayed.

BACKGROUND INFORMATION

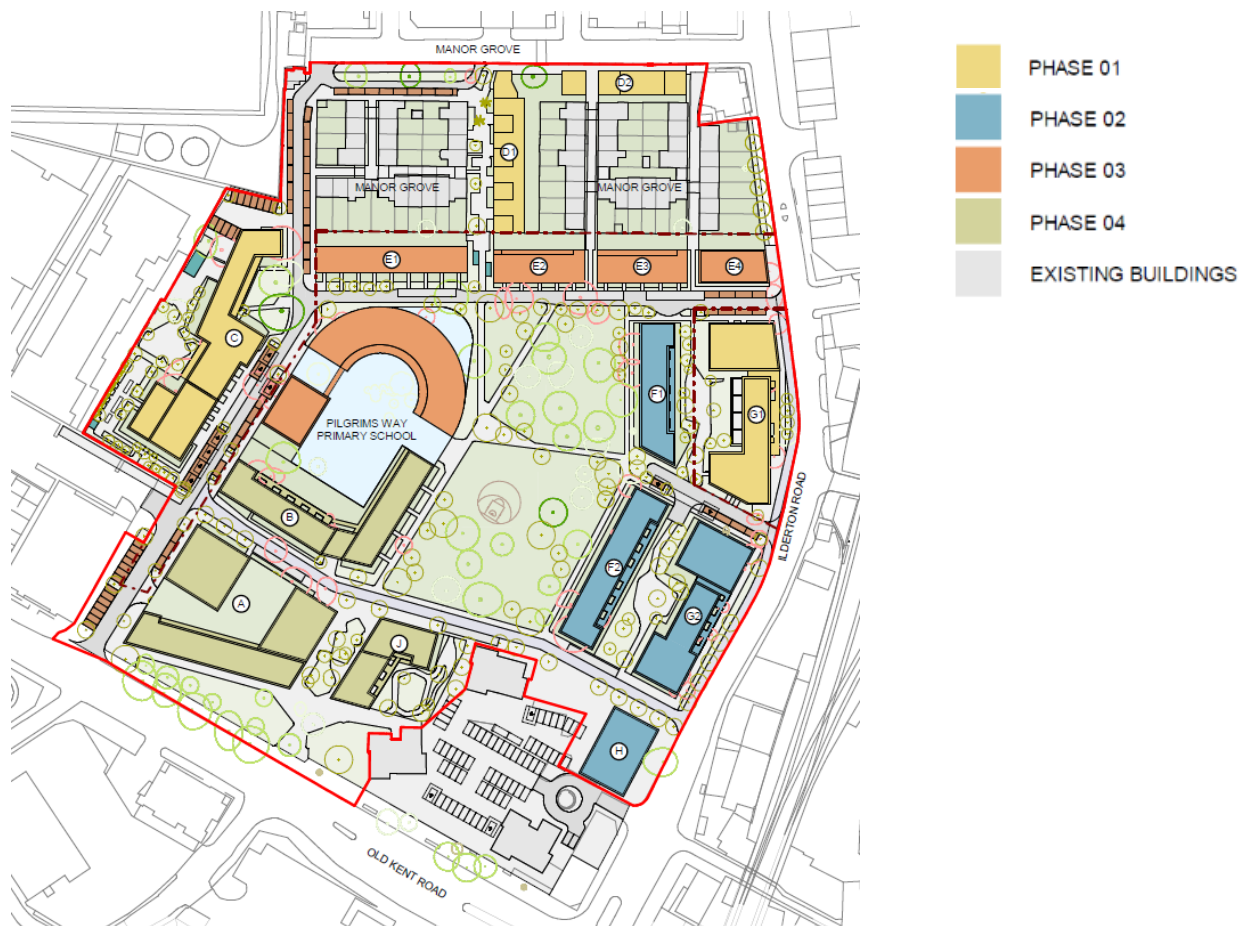
3. The Tustin Estate Low Rise Redevelopment Programme is the outcome of a resident-led investment decision into the low rise homes on the Tustin Estate following a feasibility process and a resident ballot in March 2021.
4. The programme comprises:
 - Demolition of 251 homes (council rented and leasehold).
 - Construction of an estimated 690 homes including 200 replacement council homes, 243 additional affordable homes including council homes and keyworker homes, 27 shared equity homes and 220 homes for private sale.
 - Refurbishment of the council homes in Manor Grove.
 - Development of a new park in the centre of the estate.
 - Demolition and replacement of Pilgrims' Way School.
 - Construction of new commercial spaces.
5. The new council homes included within the programme are being delivered as part of the council's commitment to build 11,000 new council homes by 2043.
6. The programme will be delivered in four phases. Phase 1 will deliver 167 replacement homes for existing council tenants and resident leaseholders. Works in Phase 1 are planned to start in late September 2022 and expected to

complete in early 2025. Later phases will deliver additional council homes, keyworker homes and private sale homes, as well as the replacement primary school and new commercial spaces. Completion of the whole scheme is currently expected in summer 2030.

7. A planning application was submitted in March 2022, requesting detailed consent for Phase 1 and outline consent for Phase, 2, 3 and 4. Resolution to grant was achieved in July 2022.
8. The Landlord Offer (Appendix 1) set out a number of commitments to residents, in line with the Tustin Resident Manifesto (Appendix 2), including the guarantee of a new home on the estate to all existing council tenants, and details of how these homes would be allocated. These commitments are formalised through this local lettings scheme.
9. In July 2021, Cabinet agreed that 100% of new build council homes on the estate would be made available to residents of the estate with priority given to those in buildings due to be demolished. The leader of the council delegated approval of a local lettings scheme to the Cabinet Member for Council Housing and Homelessness.

Issues for consideration

10. Phase 1 of the scheme will deliver sufficient homes for rehousing of all existing residents of Kentmere House, Heversham House, Bowness House and Manor Grove, and previous residents of Hillbeck Close. Existing residents may move to a home in a later phase if they wish, in which case they will be allocated a temporary home in Phase 1. Later phases will provide additional council homes for other residents of the estate who are on the waiting list or are in overcrowded accommodation and residents on the housing list from elsewhere in the borough. The later phases will also provide keyworker accommodation and homes for private sale.
11. The masterplan is shown below.



12. Hillbeck Close is required to be demolished in Phase 1 so residents of this building were required to move to a permanent or temporary home in summer 2022. All Hillbeck Close council tenants will be able to move back to a new home on the estate.

13. Residents of Kentmere House, Heversham House and Bowness House can remain in their homes during the construction of Phase 1. They will be able to move to new homes upon completion of Phase 1, allowing the demolition of these blocks in later phases.

Phase 1 summary

14. Phase 1 will deliver 167 new homes and has been designed based on the housing needs of existing council tenants and resident leaseholders. The homes include flats, maisonettes and terraced houses.

15. Phase 1 is expected to be completed in early 2025 and the new homes will be allocated off-plan.

16. The table below provides a breakdown of the Phase 1 homes:

Site	Location on current estate	1 bedroom	1.5 bedroom	2 bedroom	3 bedroom	4 bedroom	5 bedroom	Total
Building C	On site of Hillbeck Close & Ullswater House	40	16	7	10	0	0	74
Building D1	Manor Grove infill	0	0	0	3	4	1	8
Building D2	Manor Grove infill	0	0	0	2	3	0	5
Building G1	In front of Heversham House on Ilderton Road	12	0	16	49	3	0	80
Total		68	16	23	65	10	1	167

Phases 2, 3 and 4 summary

17. The table below provides a breakdown of the council homes delivered in later phases. These phases are subject to reserved matters planning applications.

Phase	Number of council homes	Estimated completion date
Phase 2	69	Spring 2028
Phase 3	51	Winter 2028
Phase 4	85	Sumer 2030

Over 55s accommodation

18. Phase 1 provides Over 55s accommodation in section C1 of Building C. This block is dedicated housing for older residents with a separate entrance and communal garden.

19. The Over 55s accommodation will include 1.5 bedroom homes. These homes have a double bedroom and a second smaller room. The smaller room is under 7sqm and is therefore not large enough to be charged as a second bedroom. The 1.5 bedrooms will be charged as a 1 bedroom home.

20. The table below provides a breakdown of the Over 55s homes in Building C in Phase 1:

	1 bedroom	1.5 bedroom	2 bedroom	Total

Number of homes	19	16	5	40
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21. Phase 4 will also provide Over 55s homes. This phase is currently at outline stage and the number of homes and the facilities will be developed during the detailed design process.

22. To be eligible for Over 55s homes, all members of the household must be aged 55 on the practical completion date.

Priority

23. Southwark's Housing Allocations Scheme sets out how council homes are allocated. The scheme also permits the council the ability to implement local lettings schemes in order to meet the housing needs of residents within the local area.

24. In relation to this development, the local area is defined as the Tustin Estate.

25. As set out in the Tustin Landlord Offer and in line with the Tustin Resident Manifesto, first priority will be given to council tenants and resident leaseholders currently in Kentmere House, Heversham House, Bowness House and Manor Grove or previously in Hillbeck Close. Second priority will be given to other council tenants of the Tustin Estate who were on the housing waiting list prior to 11 March 2020 and to council tenants in the Tustin Towers (Grasmere Point, Windermere Point and Ambleside Point) who are living in overcrowded accommodation or are in housing need. Any remaining homes will be offered to residents on the housing waiting list from elsewhere in the borough according to the council's allocations policy.

26. As set out in the Landlord Offer and in line with the Tustin Resident Manifesto, resident leaseholders will be offered a new leasehold home on the estate. Homes can be bought through outright ownership, shared ownership, shared equity, or equity loan with the council. If there is an affordability issue, a council tenancy may be offered to resident leaseholders.

27. Council tenants at Manor Grove are able to have their home refurbished or may move to a newly built home on the Tustin Estate if they prefer.

28. All lettings for the new homes located on the Tustin Estate will comply fully with Southwark Council's Housing Allocations scheme.

Housing Need

29. As the homes of most residents on the Tustin Estate, defined as the local area, are subject to demolition as part of the redevelopment programme, there is

sufficient demand to warrant priority for the new homes being given to council tenants and resident leaseholders within the local area through a local lettings scheme.

30. It is proposed that up to 100% of the initial lettings of Phase 1 will be allocated to council tenants and resident leaseholders currently living within local area as defined above. These lettings will be delivered to maximise the housing solutions to the local community and to deliver the council's Borough Plan commitments.
31. In addition to the residents affected by the redevelopment scheme, there are also other residents on the estate who have a housing need that could be met by a new home on the estate. As of 28 July 2022, there are 51 households on the Tustin Estate that are registered on the Homesearch Bidding Scheme with an identified housing need. Depending on demand from residents with first priority, it is anticipated that these households could also benefit from new homes in Phase 1 or in later phases.

Allocations process

32. Council tenants and resident leaseholders currently in Heversham House, Kentmere House, Bowness House and Manor Grove, or previously in Hillbeck Close, will be pre-allocated a home off-plan, based on prioritisation of housing need, medical need and how long they have lived on the estate. Households will be prioritised in existing priority bands and priority stars in accordance with the council's published allocations scheme. The same prioritisation criteria will be able to both council tenants and resident leaseholders.
33. Residents who currently live on the ground floor, have a private garden or both will be allocated home on a like for like basis.
34. Households where all members are aged 55 or over on the practical completion date of the new homes will have the option to choose a home in the Over 55s accommodation in Building C.
35. If council tenants are currently in a larger property than their need, they will be eligible for a property with one more bedroom than their need, however they may downsize if they would like to do so. If residents are not currently in a home larger than their need, they will not be eligible for a home with extra bedrooms. Residents will not be permitted to move into accommodation that creates overcrowded circumstances.
36. Residents will need to register for rehousing but will not need to bid for the new homes. Residents will choose a home from a booklet and will be invited to attend an exhibition where the plans will be displayed. Indicative rents for council

tenants and sales values for resident leaseholders, as well as indicative council tax bands, will be made available.

37. Once all existing council tenants and resident leaseholders have registered for rehousing, residents will be listed in priority order according to the council's allocations policy. Residents will then be invited to choose their home in priority order.
38. Council tenants and resident leaseholders eligible for ground floor homes with a private garden will be listed in priority order according to the council's allocations policy and will be invited first to choose from these homes.
39. At the same time, council tenants and resident leaseholders eligible for the Over 55s accommodation will be listed in priority order according to the council's allocations policy and will be invited to choose a home in this building. If there are more residents interested in Over 55s homes than the number of these homes in Phase 1, any remaining residents will be able to choose a new home elsewhere in Phase 1, a home in the second Over 55s block which is planned to be delivered in Phase 4, or a home elsewhere in a later phase. If residents choose a home in a later phase, they will be able to move temporarily to a new home in Phase 1. If there are Over 55s homes left in Phase 1 at the end of this process, these homes will be offered to Southwark council tenants eligible for Over 55s homes living elsewhere in the borough.
40. Once the ground floor homes with private gardens and the Over 55s homes have been chosen, all remaining Tustin residents will be invited to choose from the remaining homes in priority order according to the council's allocations policy.
41. Council tenants and resident leaseholders may prefer to move to a home in a later phase in which case they will be allocated a temporary new home in Phase 1, which will be chosen after other residents have chosen a permanent home in Phase 1. As designs for later phases are currently at outline stage, residents will be able to express an interest in a home in a specific building in autumn 2022 and will then be able to choose their home in priority order once reserved matters planning applications are approved for each phase.
42. If there are any homes remaining in Phase 1, these will be offered to council tenants of the Tustin Estate who were on the housing waiting list prior to 11 March 2020 and to council tenants Grasmere Point, Windermere Point and Ambleside Point who are living in overcrowded accommodation or are in housing need, in priority order according to the council's allocations policy. Phases 2, 3 and 4 will deliver additional council homes which will be offered to these residents, in priority order according to the council's allocations policy.
43. It is anticipated that local needs will be met by the homes delivered in Phases 1 and 2, except where residents prefer to move to a home in a later phase. Any

remaining council homes will be allocated to other residents on the housing waiting list from elsewhere in the borough.

44. If any residents do not wish to move to a new home on the Tustin Estate, they will be supported to find a suitable home elsewhere in the borough.

45. Tustin residents will be contacted in October 2022 to inform them of the allocations process.

Policy framework implications

46. This local lettings scheme supports the delivery of the council's Landlord Offer commitments, in line with the council's resident involvement strategy.

47. The local lettings scheme will be delivered in line with the council's allocations policy.

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

Community impact statement

48. Residents voted in favour of the redevelopment programme in a residents' ballot in March 2021. The scheme has been progressed in line with the council's Landlord Offer commitments and with the Tustin Resident Manifesto.

49. This local lettings scheme formalises the commitments in relation to the new homes made to residents in the Landlord Offer, in line with the Tustin Resident Manifesto.

50. The redevelopment will provide a range of benefits for local residents including larger and better quality homes and safer and greener spaces on the estate.

51. The groups that are affected by the redevelopment and are considered able to apply for the homes as local residents are the residents within the immediate estate where the new homes will be built.

52. The allocation of these homes will be conducted in accordance with the council's published allocation scheme, which is subject to its own community impact statement.

Equalities (including socio-economic) impact statement

53. Section 149 of the Equality Act, lays out the Public Sector Equality Duty

which requires public bodies to consider all individuals when carrying out their day-to-day work in shaping policy, in delivering services and in relation to their own employees. It requires public bodies to have due regard to the need to eliminate discrimination, advance equality of opportunity, and foster good relations between different people when carrying out their activities. The council's Approach to Equality commits the council to ensuring that equality is an integral part of all activities.

54. The Tustin Estate Low Rise Redevelopment Programme has been developed in line with the council's Southwark Stands Together (SST) programme, a borough wide initiative in response to the injustice and racism experienced by Black, Asian and minority ethnic communities and to the inequalities exposed by COVID-19 pandemic.

55. A full Equalities and Health Impact Assessment (EHIA) was completed in December 2020. This was updated in March 2022 on the basis of the planning application (Appendix 3).

56. The EHIA found that the majority vote in the residents ballot in combination with the scheme's potential to provide improved living conditions, housing quality, accessibility, public realm and community facilities presents a compelling case that the redevelopment is in the public interest. The EHIA sets out the potential risks and how the council has sought to mitigate these risks through a range of measures including the commitments to residents in the Landlord Offer in relation to lettings policy.

Health impact statement

57. The EHIA (Appendix 3) sets out how the redevelopment programme has the potential to contribute to improved health outcomes for existing and future residents and to help tackle health inequalities through improved living conditions and improved public realm and green space. The report also sets out a number of risks related to health including the environmental effects of demolition and construction which the council is seeking to mitigate through effective planning of the works and considerate construction impacts.

58. Homes will be allocated in accordance with the council's allocations policy which prioritises medical and housing need. Residents will be allocated homes in line with their medical and health requirements.

Climate change implications

59. There are no direct climate change implications in relation to the allocation of the new homes.

60. The climate change implications of the construction of the scheme have been considered in detail as part of the design process and in the procurement of the developer and contractor. The scheme has been designed to minimise carbon emissions as far as possible. The construction of the overall scheme is expected to deliver a 94% on site carbon emissions saving compared to a baseline development.

Resource implications

61. No additional resources are required to implement the recommendations within this report. The relevant teams within Resident Services and Housing Solutions will mirror the operational procedures previously applied in successful local lettings allocations.

Legal implications

62. Legal implications are set out in paragraphs [67- 81] below.

Financial implications

63. There are no financial implications in relation to the allocations policy.

Consultation

64. The Tustin Estate low rise redevelopment programme is the outcome of a resident led feasibility and options programme carried out between July 2019 and March 2021, culminating in the Landlord Offer and a resident ballot in March 2021. This process included detailed conversations in relation to allocations of the new homes which are set out in the Landlord Offer and are formalised in this Local lettings scheme. The Landlord Offer is in line with the Tustin Resident Manifesto.

65. Following the ballot, there has been extensive ongoing consultation with residents on all elements of the scheme through the monthly Resident Project Group meeting, the monthly Tustin Community Association meeting, design meetings, regular drop-in sessions and the monthly Tustin newsletter.

66. A draft version of this report was shared and discussed with the Tustin Resident Project Group in August 2022. Residents supported the principles of the Local Lettings Scheme and agreed that these are in line with the Landlord Offer.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Governance

67. In accordance with the requirement under Part 6 of the Housing Act 1996 to have a scheme for determining priorities and procedures in the allocation of its housing, the council has in place a main housing allocations scheme. The scheme gives effect to the statutory requirement to give reasonable preference to certain groups of housing applicants.
68. Generally, the council must not allocate council housing (or nominate an applicant to a housing provider with whom it has a nominations agreement) except in accordance with its main allocation scheme.
69. Under s166A(6) of the 1996 Housing Act, the council may depart from its main allocation scheme where it puts in place a local lettings policy which prioritises particular groups of applicants for particular properties, provided the cumulative effect of such schemes does not displace the system of reasonable preference set out in the main allocation scheme.
70. Paragraph 7.10.2 of the council's current main allocation scheme incorporates a local lettings policy which provides for 50% of all allocations for 'the new London Borough of Southwark 1000 properties initiative (to be) allocated to existing tenants local to the redevelopment/new build scheme'.
71. The local lettings scheme proposed in this report provides for 100% of allocations to existing local tenants. The report confirms that in other respects, it is consistent with the local lettings policy incorporated in the main allocation scheme.
72. Leaseholders will be offered homes through outright ownership, shared equity, shared ownership or equity loan. The Council has powers under s32 of the Housing Act 1985 and the General Housing Consents 2013 to make disposals of housing land on these terms.
73. General Consent A3.1.1 provides that a local authority may dispose of land (including buildings i.e. houses and flats) for a consideration equal to its market value. The consents include the grant of a shared ownership lease within the definition of disposal, and the definition of "shared ownership lease" means a lease granted on payment of a premium calculated by reference to a percentage of the market value.
74. The Localism Act 2011 provides councils with the power to do anything an individual can do, provided it is not prohibited by other legislation. The scope of the power is set out in sections 1 to 6 of the Act. In summary the power enables councils to do things an individual may generally do, anywhere in the UK or elsewhere for a commercial purpose or otherwise, for a charge or without a charge.
75. The council's contribution to the purchase price of a replacement dwelling for rehousing of a resident leaseholder, as recommended by this report, secured by a legal charge in order to assist with the rehousing of leaseholders falls

within the general power of competence conferred on the council under the Localism Act 2011. Compensation payments fall under the Land Compensation Act 1973

76. When considering the recommendations in this report, the cabinet member should be satisfied that there is justification for the proposed 100% allocations in this local scheme and that the scheme does not displace the system of reasonable preference in the council's main allocation scheme.

77. Paragraph 7.10.4 of the Council's main scheme further provides that 'Local Lettings policies will be reviewed on a regular basis and equality impact assessments undertaken with consultation undertaken with customers and communities before a Local Lettings Plan is agreed'.

78. The law requires that consultation must be undertaken when proposals are at a formative stage and include sufficient reasons for the proposal and time for interested parties to respond. The Cabinet member is required take into account the outcome of the consultation when making a decision on the recommendations and is referred to in the consultation section of this report.

Public Sector Equality duty (PSED)

80. The PSED is referred to in the body of the report. An Equalities Impact Assessment (EIA) is appended to the report. The Cabinet member when considering the recommendations in this report should have regard to the EIA, in particular where any possible disproportionate effects on groups sharing protected characteristics are identified, the mitigation proposed. This is an ongoing obligation and any issues raised by the EIA will have to be monitored as the matter progresses.

Leader Delegations

81. Under Part 3 of the council's constitution, the Leader has authority to delegate the approval set out in paragraph 9 of this report to the Cabinet Member.

BACKGROUND DOCUMENTS.

Tustin Estate Low Rise Re-development Delivery Programme (July 2021)	Constitutional Team / Tooley Street	Paula Thornton Paula.thornton@southwark.gov.uk
https://moderngov.southwark.gov.uk/mglIssueHistoryHome.aspx?IId=50025098&optionId=0		

APPENDICES

No.	Title
1	Tustin Landlord Offer (February 2021)
2	Tustin Resident Manifesto (November 2020)
3	Equality and Health Impact Assessment, 21 March 2022

AUDIT TRAIL

Cabinet Member	Cabinet Member for Council Homes and Homelessness	
Lead Officer	Cheryl Russell, Director of Residents Services	
Report Author	Susan du Toit, Project Manager Alex Herd, Housing Choice and Supply Manager	
Version	Version 2	
Dated	11 August 2022	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Director of Legal Services	Yes	
Strategic Director of Finance and Corporate Services	No	
Cabinet Member	Yes	