

**DRAFT 8.7.10**

**Single Conversation Agreement:**  
**London Borough of Southwark Borough**  
**Investment Plan**



**July 2010.**

**Contact: INSERT**

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## Introduction

Southwark is delighted to be invited to produce this document. Our Borough Investment Plan (BIP) outlines our strategic ambition, our commitment to meet our housing targets, and makes the case for housing and related resources for Southwark from programmes managed by the Homes and Communities Agency (HCA). Our BIP makes the case not just for new homes and investment in our major regeneration schemes such as Elephant and Castle and the Aylesbury estate, and the infrastructure to support these (transport, schools, day centres etc), but also for our other housing regeneration schemes; the need for investment in improving the quality of existing social housing (both council and RSL); developing schemes to provide good quality housing for homeless households and those at risk of homelessness; as well as improving the condition of private sector housing.

We hope to illustrate that Southwark is a place with the capacity, commitment and ambition to encourage investment. We also have a track record of delivery and the necessary infrastructure to maximise outcomes and help meet the substantial needs of our community.

We are a large authority, with many complex problems. In 2001, Southwark was the eighth most densely populated local authority area in the UK.<sup>1</sup> We have high levels of deprivation (although improving), and high levels of housing need, including the 5<sup>th</sup> highest level of overcrowding in London<sup>2</sup>.

We are the largest local authority landlord in London, and one of the largest in the country. Although we have the largest housing investment programme in the capital, spending around £80m per annum on improvements to our stock, and making around 2000 homes decent each year, too much of our housing still does not meet the decent homes standard. As London's largest local authority landlord one of our key challenges relates to the amount, age, condition and nature of our housing stock. In addition to having a large number of system-built estates we also have a mix of older properties and high rise flats, and consequently have large numbers of lifts and district heating systems- many of which are ageing and require replacement. The BIP sets out the scale and nature of the challenge- probably one of the greatest of its kind in London, but one we are determined to address.

Housing cannot be separated from its physical and social environment. We want to achieve decent homes to meet our aspirations as a housing provider, and also those of our residents, and we are committed to doing so as a stock retained authority. To this end, our objective is to make all our stock warmer drier and safer by 2014, and to include environmental and security works, which will contribute to sustainability and the well-being of our residents.

Southwark's Housing Strategy 2009-2016 demonstrates our commitment to achieving a balance between regenerating the borough and developing new affordable housing supply, and investing in the existing social housing stock of the borough to make it a sustainable resource for the future.

The council is proud to have played a part in the investment, by HCA and Housing Corporation, of £200m for new affordable housing delivery in the 2008/11 programme. Our affordable housing targets are ambitious, but we have a track

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<sup>1</sup> Census 2001

<sup>2</sup> Census 2001

record of continuing to deliver high numbers of new affordable homes, and have both capacity, demand and a policy framework to encourage delivery. We have worked closely with partners such as the GLA and HCA to unlock schemes which had stalled as a result of the recession. This has helped us to move forward on schemes such as the Elmington estate and Wooddene. Southwark was successful in obtaining funding to develop 19 council homes for social rent from the HCA's challenge fund, with the units due for completion in July 2011. Works are also underway to complete the refurbishment of the four Gypsy and Traveller sites in the borough, with funding now under the auspices of the HCA.

We have also developed innovative tools to assist us with delivery, including our housing supply and demand model to assist in balancing housing supply and housing needs, regularly updated and capable of modelling different housing policy objectives. We have also worked with consultants KPMG to develop a site appraisal toolkit, which provides us with a rigorous financial and qualitative framework for making decisions on when to invest, remodel or regenerate.

We have a rounded approach; in addition to our major schemes at Elephant and Castle and the Aylesbury estate, we have also embarked on a process of housing renewal- i.e. demolition and redevelopment of smaller groups of stock that has the highest costs to maintain and which is unsustainable in the long term. This approach to regeneration will not only transform the overall condition of the borough's stock, but will also create more mixed and sustainable communities and generates substantial capital receipts which will be reinvested in our housing investment programme.

Our forward programme of site regeneration where receipts generated are dedicated to reinvestment in the borough's housing stock. This programme is monitored through regular liaison meetings with the HCA. It is also reflected in the new Housing Strategy adopted following a comprehensive consultation programme (combined with consultation on the development of the new Local Development Framework particularly the Core Strategy), and signed off by Southwark's Strategic Housing Partnership. (The Core Strategy will be going through Examination in Public this summer from 20<sup>th</sup> to 30<sup>th</sup> July 2010).

The programme of capital receipts is reflected in the forward planning of the housing investment programme and creates a positive cycle in increasing our ability to improve our remaining stock. Results from the new stock condition survey are in the process of being analysed and will enable us to firm up this programme into future years. It will also inform the continuing analysis of which stock to retain, and which to redevelop.

More specifically, what we want to achieve from the BIP and this enhanced process of engaging with the HCA is:

- Support for new additional housing supply beyond the current NAHP
- Assistance with continuing to deliver our major regeneration schemes at Elephant and Castle and the Aylesbury estate
- A strategy and funding arrangement to support transport and other infrastructure components in the major regeneration schemes.
- Additional resources for investment in the existing housing stock (including RSL stock)– decent homes, security and environmental works, and retrofitting

- Continued funding for extensions and deconversions to provide cost-effective solutions to tackle overcrowding and meet the borough's pressing need for larger family homes
- Safeguarding resources to provide measures including tenant incentives to continue our successful track record of tackling under-occupation in social housing- a cost-effective means of releasing larger homes for overcrowded families
- Programmes and resources to meet intermediate housing need, tailored to new development markets and income levels in Southwark.
- Continuation of programmes and options to provide long-term, suitable housing solutions for homeless people and those at risk of homelessness (i.e. TSHG/settled homes initiative, empty homes etc)
- Consideration for a new regeneration pot that can transform areas, including support for a range of enabling activities that are currently most difficult in our major schemes e.g. infrastructure works and leaseholder acquisition.
- Co-ordinated funding for carbon saving measures, rather than the current multiplicity of initiatives to equip us to deliver most effectively.
- Support for an new extra care facility, either as a stand alone development or life-time homes within wider developments to give more flexibility in the context of personalisation and for projects targeting people with Learning Difficulties, either new developments or the remodelling of existing units. .

More details of our priorities for investment are set out in the following sections of the BIP, but the resource level we are identifying for the delivery of new affordable homes is in the order of £464m based on NAHP. The council and HCA have been working together extensively, and a product of this relationship has been the positive impact on the major regeneration projects at Aylesbury Estate, Elephant & Castle, Bermondsey Spa and Canada Water. We look forward to building on this track record and continuing the progress made to date.

## Section 1: Southwark- Place and People

Southwark has been a place of opportunity and change throughout history, but recent decades have been punctuated by some specific events and trends:

- Post industrial decline following the loss of the docks (through containerisation), food industries, leather trade, etc.
- Population decline (1900- 600,000 residents; 1981-180,000)
- On the back of all this, significant sense of decline.
- Post WW2 housing estates – large mono-tenure areas.
- New public transport coming through (Jubilee Line Extension – 1999).
- Arrival of Tate Modern.
- Area change – Peckham Partnership transformation, Bellenden Renewal Area, commercial to residential conversions in Bermondsey and Bankside.
- Realisation that improvements could be delivered by a strategic use of the council's land holdings

### Southwark today (2010)

Although Southwark is described as an inner city borough it is more varied than this. It includes areas of leafy suburbia, fashionable riverside development , Victorian terraces, modern offices, open spaces and conservation areas. Some signature changes are now visible – Strata at E&C and the Shard. We have a very diverse, constantly changing population and a workforce that is growing rapidly. The council has therefore developed a culture of consultation and involvement to help us understand people's needs, and partnership working so that we can plan successful places and services. Addressing the polarisation of some areas of the borough in terms of tenure, deprivation and life chances etc is one of Southwark's key objectives. The following paragraphs highlight the key points about our population and its characteristics, particularly in housing terms.

Population: Southwark has a young and growing population. This creates increased demand for services such as housing, schools and health services. The total population of Southwark was estimated to be 274,000 as at 2008 by the GLA (an increase of 23% since 1981, compared to national increase of 8%) living in an estimated 116,300 households and our population is projected to grow to around 309,600 by 2016 (GLA estimates). Additionally the Office for National Statistics (ONS) estimates for the number of short-term migrants found that the borough has 21,300 short term migrants over the year - the eighth highest in the country. Short-term migrants are migrants who move to an area for more than one month, but stay for less than 12 months. However they are not currently included in the population estimates.

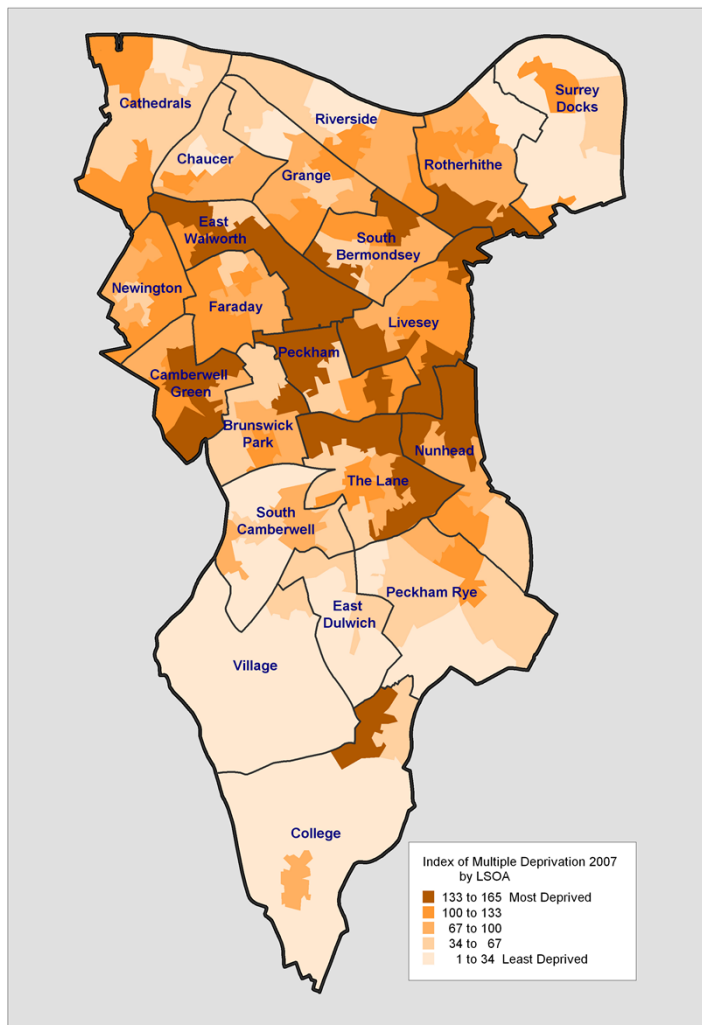
51% of the population is female, 10% of households are headed by lone parents (one of the highest in the country), 38% of residents are single persons (compared with a 30% national average). Southwark has a higher proportion of people aged between 20 and 44 compared to London and a lower proportion of older people. 20% of the population are under 16, less than 10% are over 65 (this has fallen from 14% since 1991 and is significantly lower than the national average of 16%). In 2006 65% of

the population was white, 4% mixed, 6% Asian or Asian British, 21% Black or Black British, 4% Chinese or other. African communities are the largest minority group in the Borough at around 16% of the population, 7% are Caribbean and the South Asian and Chinese groups together making up a further 7% of the population.

Between 2001 and 2006, there was net migration into Southwark of around 12,080 households, and in 2007 there were 300 asylum seekers receiving support or assistance from the National Asylum Seeker Service in Southwark.

Deprivation and inequality: Although Southwark has improved in the national league table of poverty in recent years at least in part through the intervention of the council and its partners through programmes such as Southwark Works, it is still estimated that Southwark is positioned as the 26<sup>th</sup> most deprived borough nationally (345 total) and the 9<sup>th</sup> most deprived in London (see map below of Southwark wards by deprivation index).

**Index of multiple deprivation- Southwark by ward 2007**



There are very low income levels in Southwark, especially among those in council rented housing, where the average median income is just £9,100. The overall median income for the borough is £16,800, meaning that home ownership is out of reach for many households. There is considerable inequality of wealth distribution across the Borough with relatively high wealth in areas such as Herne Hill, Dulwich,

London Bridge and Bankside and high levels of poverty in areas such as Peckham, Elephant and Castle and Walworth (including the Aylesbury Estate).

The Southwark Housing Requirements Study 2008 found that 53,500 (20%) of people living in Southwark said they had health problems and an estimated 38,412 households living in unsuitable housing. Over 40% of council renters – and 30% of housing association renters – contain at least 1 person with a health problem.

Employment and worklessness: In 2007, there were a total of 165,800 employee jobs in Southwark. Southwark's business base comprises around 12,800 businesses. In 2007 Southwark had an estimated 165,800 jobs (5.7% manufacturing; 3.7% construction; 14.6% retail/hospitality; 5.5% transport/communications; 42.4% finance and business services, 21.2% public sector and; 6.5% other services). In October 2009, the unemployment rate (claimant count) for Southwark was the 5th highest in London with a claimant count rate of 5.0%, which equates to 9,989 working age residents. In 2008, the proportion of working-age residents with no qualifications was 13.3%, this is still higher than London's average of 12.0%. On the other hand, 45.4% of working-age residents are qualified to NVQ level 4 and above, compared to 38.6% in London. Growth in the number of jobs in Southwark has increased greatly between 2003 and 2007 and has been concentrated in Cathedral (+9,200 jobs or +18%), and Riverside (+7,200 jobs or +39%), wards within the Central Activity Zone.

In 2007, the GLA published trend based employment projections for Southwark which estimated a 9.2% increase in jobs by 2016 to a total of approximately 181,000 jobs in the borough.

Tenure mix and sustainability: In the 1970s, approximately 70% of the housing stock was social housing (council rented and housing association rented). As at April 2009, this figure was down to 45% but is still 3 times the national average and the highest in London. 33% is council rented, 12% is housing association rented. 28% of the stock is owner occupied (well below national and London averages) and 27% of the stock is private rented (this figure having risen significantly over recent years). Southwark remains the largest local authority landlord in London having retained its stock, with nearly 41,000 council tenancies as at 1.4.2009. In addition there are 14,600 homeowners paying service charges to the council of which 13,200 are leaseholders and 1400 are freeholders. .

Housing capacity and need: In 2008 there were an estimated 38,412 households living in unsuitable accommodation with a need to move. As at 1<sup>st</sup> April 2009, there were 15,000 households on Southwark's housing register eligible for a move. Lettings, although these have declined over the last 10 years currently average about 2,500 council and housing association nominations of social rented accommodation per year. Homelessness approaches have fallen significantly in recent years (from 1,400 in 2007/8, to under 900 in 2008/9) through Southwark's development of a housing options approach which provides a range of measures to prevent homelessness. Southwark has been a top quartile performer on preventing homelessness for some time and was also regional champion for London for 2008/09 for tackling youth homelessness. Levels of overcrowding are high- the 5<sup>th</sup> highest in London according to the 2001 census.

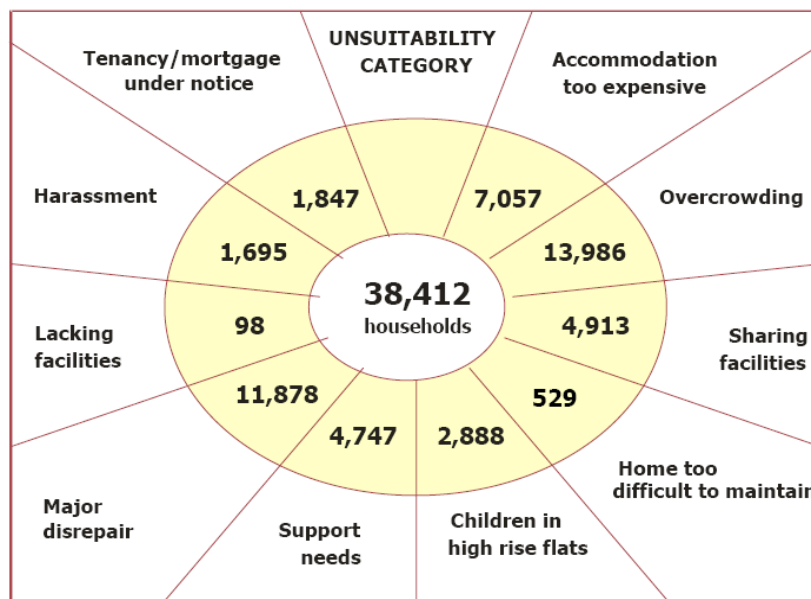
The 2008 Southwark Housing Requirements study estimated that there were nearly 14,000 overcrowded households in the borough, with the highest levels of overcrowding being experienced in the Council's own stock, with 15% of council tenants experiencing overcrowding. In order to make the most effective use of the



social housing stock, and address needs such as overcrowding, Southwark has developed a successful under-occupation scheme, recently refreshed as Smart Move, which assisted over 160 under-occupying households in 2008/09 to move to a smaller home, releasing larger properties for families in need. We are currently exploring ways of expanding this scheme in consultation with our tenants. Southwark has developed a housing supply and demand model to monitor and forecast housing demand and supply capacity which is updated monthly. Over 53 larger family homes, containing three to seven bedrooms, have also been created by de-converting street properties and extending three existing council homes to alleviate overcrowding.

The table below shows the main forms of unsuitable housing in the borough.

**Established households living in unsuitable housing (Southwark Housing Requirements Study 2008)**



Stock condition: As at 31<sup>st</sup> June 2010, 35% of council stock was non decent (based on a new, more comprehensive stock condition survey completed recently. Although this represents an improvement on the previous survey, it still presents significant investment challenges which are explored further in section 2. Approximately 35% of housing association stock was also non-decent according to a sample survey of private sector stock condition in the borough conducted in 2008, although individual RSLs are reporting lower levels of non -decency. 47% of private sector dwellings have a Category 1 hazard of which, over 90% are due to the likelihood of exposure to excess cold. 47% of owner occupier and private rented homes are non decent. 44% of vulnerable private sector households in Southwark live in decent homes.

## Section 2: Our Strategic Ambitions

Outlined here for clarity are Southwark's key priorities, as set out in the Sustainable Communities Strategy 'Southwark 2016' and the corporate plan, and this document supports the delivery of these.

### Our Vision

Southwark 2016 is the Borough's sustainable community strategy developed with Southwark Alliance – the local strategic partnership. There are 5 themes on which the Borough's strategic objectives are based and which combined will deliver the vision of improving Southwark as a place. These are:

**Theme 1: Improving individual life chances**

**Theme 2: Making the Borough a better place for people**

**Theme 3: Delivering quality public services**

A number of other strategies underpin the themes in Southwark 2016 and the objectives of the Single Conversation. These include the Core Strategy, the strategic planning document which sets out how Southwark will change up to 2026, the Housing Strategy 2009-2016, and the Employment and Enterprise strategies. Our vision for future of Southwark as set out in the Core Strategy as follows:

*We will make sure that Southwark improves as a place where local facilities, the transport network and infrastructure is supporting the fast pace of change in growth areas such as Bankside, Borough and London Bridge, Elephant and Castle, Canada Water, Peckham and Nunhead and Aylesbury, where we are increasing homes by around 10% from 123,945 to 148,398, office space by around 30% from 1,255,000sqm to 1,674,885sqm and people working by around 15 % from 165,800 to 190,800 between 2009 and 2026.*

*We will make sure that this regeneration is as sustainable as possible by setting high environmental and design standards along with protecting and improving a network of open space and heritage throughout the borough. Set beside the River Thames, Southwark is made up of a diverse group of places with distinct identities where people who live, learn, work and have fun here can benefit from the vibrancy of our cultures and communities. We have set out unique visions to show the successful places that we want them to be.*

### Challenges and opportunities

Southwark faces a number of challenges in delivering our Vision for the future of the borough, but also some opportunities. These are set out below.

There is polarisation between parts of the borough, with some areas of multiple deprivation, and others with high income levels. With successful regeneration driven by market sales, having gained real momentum in many parts of the north of the borough, some areas are being left behind. This is often most marked when comparing property prices – generally a clear indicator of whether an area is desirable to live in. This issue is further exacerbated by Southwark's ownership of large scale, largely single tenure housing estates, the cause of high debt for the authority and with an ongoing heavy investment requirement.

This does however, provide investment opportunities for those investors willing to take a long-term view. There is latent value capacity or “head-room” in this part of London when compared to more established markets in central London. Co-ordinated investment can help reduce this value gap and help support investment in new facilities and utilities.

### **Section 106 agreements**

Southwark has an advanced tariff based system through which it calculates planning obligation payments to mitigate the negative impacts of development. The Council also uses a system of community driven project banks that highlight particular pressures or issues for individual community council areas. The planning service uses these to negotiate with developers and investors to ensure all development is sustainable and is integrated into the wider strategies, plans and programmes. The Council has an adopted Section 106 Planning Obligations supplementary planning document (2007) which sets out the current tariff based system. This SPD is currently being revised and will be out for consultation in October 2010.

The incoming Community Infrastructure Levy will provide a further tool to ensure sufficient infrastructure is delivered. There will inevitably be an adjustment period once this new legislation becomes active.

### **Education**

It is difficult to overstate the importance of education related programmes in achieving our wider ambitions. The Southwark Schools for the Future programme involves the delivery of approximately £220 million of development in 13 secondary school sites across the borough through a Local Education Partnership as the delivery vehicle. A similar process is starting to drive investment into the primary school stock.

The Council undertakes detailed pupil place planning to manage the impacts of the diverse development programme on service provision.

This investment offers significant opportunities to create property markets for family housing where none existed previously, thus providing greater balance to the community.

### **Other impacts**

There are significant developments impacting on Southwark at the moment.

Most notable of these is perhaps the construction of the Shard of Glass immediately to the south of London Bridge Station. This 72 storey mixed-use tower will dominate London’s sky-line for years to come and is set to be completed within 3 years. This on its own could drive a further significant brand shift for Southwark and in turn create a new critical mass for investment momentum, building on the impetus already created by More London and Bankside. What about a pic of it now?



At the Elephant and Castle, the 43 storey Strata Tower is now complete and signals the impending change in that area.

How these potential benefits of these landmark schemes are shared out across the various stakeholders will be the real challenge. Southwark will need all of its skills and resources to ensure that a balance is achieved between new build, refurbishment and new / improved infrastructure.

More specifically, how to push and pull this positive influence further south into more deprived areas like Peckham and Camberwell will be crucial to balancing out opportunity.

### **Regenerating Southwark**

Southwark has one of the most ambitious regeneration programmes in the country – approximately £4.5 billion in development value terms. 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 of wider areas.

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. We also value smaller scale developments which can have a positive regeneration impact and help create mixed communities in the local areas. Driving these plans forward in the current economic climate will be challenging. We will work flexibly with development partners, the GLA, and the 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 to flourish.

## **Southwark's own housing stock**

Southwark has the largest stock of council housing in London, and this is composed of a mix of dwelling types including Victorian terraces, pre-war walk-up blocks and system built blocks including high rises, built in the 60s and 70s. 60% of our stock was built before 1964. We have greater landlord obligations given the nature and size of our stock, and more high rises. According to the Business Plan Statistical Appendix (BPSA) 07/08 Southwark had the highest number of dwellings in high rise blocks at 10, 646, in the whole of London (26% of our total stock); consequently, we have more lifts. We also have more district heating systems. Although these components tend to be in our 'younger' stock, many are old enough to require renewal. In the older age profile, according to the BPSA 07/08 we also have the second highest level of pre-1945 low rise blocks (predominantly mansion/walk up blocks) in London, many of which were inherited from the Greater London Council and which suffered from historic under-investment.

Southwark's housing options appraisal in 2006 determined 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 Southwark 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 Council recognises the need to manage the consequences of this decision. The CAA audit process resulted in Southwark being red flagged for not having fully up to date information about the condition of its properties or sufficiently robust plans in place to improve them.

In 2009/10 1866 homes were made decent and we expect to make at least 2000 further properties a year decent. It has been acknowledged by external audit that the Council and its partners have made significant investment in improving the condition of homes in recent years, but this has not been sufficient to deliver the scale of improvement required. However no council has unlimited funds and the Decent Homes challenge for Southwark is probably greater than any other London borough. The only prudent answer is to demolish and redevelop the stock which is least popular with housing applicants and has the highest costs to maintain. Large scale regeneration will not only transform the overall condition of the borough's housing stock, but also create more mixed communities and generate significant capital receipts to invest in improving the Council's remaining housing stock.

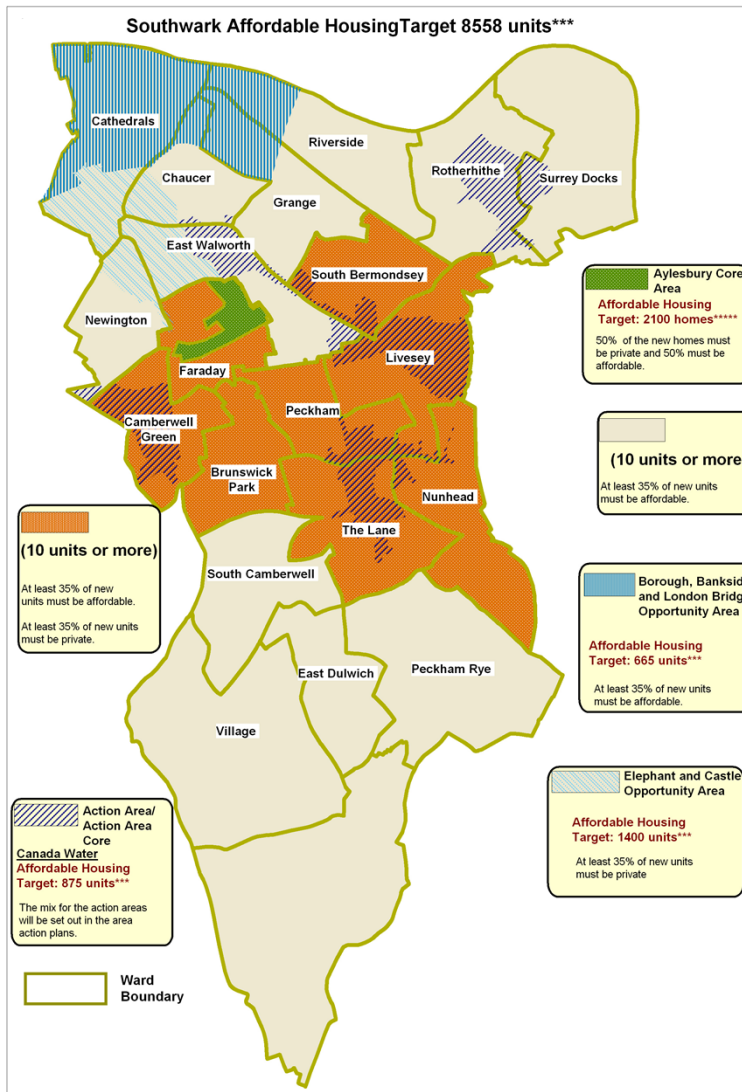
We are also faced with a further challenge. The implications of the tragic fire at the Lakanal block in Camberwell last year are likely to be far-reaching, not just for Southwark but nationally. In terms of investment, most programmes of works have a health and safety element to them and we will continue to honour our commitment to the health and safety of our residents. The results of fire risk assessments of high

rise buildings is likely to impact on our investment and development plans during the short to medium term.

It is difficult to overstate the scale of the challenge facing us. We will therefore be looking to work with the HCA or other agencies as appropriate to assist us in developing a comprehensive range of options and funding solutions to address it.

### **Delivering our housing targets**

The London Plan consolidated with alterations since 2004 (2008) 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. The draft replacement London Plan 2009 does not set affordable housing targets however does set an overall housing target of 20,050 new homes between 2011 and 2021 (2005 a year). . In accordance with Policy 3.12 of the draft replacement plan we will set an overall target in our core strategy for the amount of affordable housing provision. This has been done in policy 6 of the core strategy which sets an overall target of 8,558 affordable housing units between 2011 and 2026. The graphic below shows how it is intended to distribute these homes in the borough.



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 Mayor's strategic housing land availability assessment (SHLAA) and the Council's more detailed Development Capacity Assessment is assisting in the identification of suitable sites to enable us to deliver on these targets. Both studies have informed the development of the core strategy.

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.

### **Our Delivery Strategy**

Our strategic objectives, as set out in Southwark 2016, the Core and Housing Strategies, our asset management plan, and our Employment and Enterprise Strategies are as follows:

## **Making the borough a better place for people**

This objective is embodied in the Core Strategy. This will be achieved through sustainable development and to improve places in Southwark, building on each area's strengths and unique identities. This is to ensure that there are accessible, locally distinctive well designed places which interconnect, are linked to the rest of London and that people consider successful.

Most new development will happen in the growth areas, the opportunity areas and action area cores – Bankside, Borough and London Bridge, Elephant and Castle, Aylesbury, Canada Water, Peckham and Nunhead. Development will also be prioritised in Camberwell action area and Old Kent Road action area 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. Area based planning documents are currently being prepared to provide more detailed policies and guidance on each growth area to meet the needs of each local community.

We will improve other unique areas to strengthen their local characteristics – Bermondsey, Nunhead, East Dulwich, Herne Hill, Lordship Lane and Dulwich Village/ West Dulwich. This will include new schools, community facilities, open spaces, leisure, arts and culture, sports, health centres, youth facilities and tourist activities. The Central Activity Zone covers parts of a number of London Boroughs and in Southwark it includes; Elephant and Castle and Borough, Bankside, London Bridge (BBLB). The CAZ contains nearly 30% of all London's jobs and is projected to accommodate 36% of London's employment growth up until 2026. Development in the Central Activity Zone will support the continued success of London as a world class city as well as protecting and meeting the more local needs of the residential neighbourhoods.

## **More and better homes**

The borough's tenure mix requirements for new housing developments as required by the Core Strategy are as follows:

- As much affordable housing on developments of 10 or more units as is financially viable *Note : May change through the statement of common ground we are agreeing at the moment with the GLA –A minimum of 35% affordable housing units outside the opportunity and area/action area cores. Note Could also put in the overall and area targets or refer to the map*
- A minimum of 35% affordable housing units within Bankside, Borough and London Bridge opportunity area
- 50% affordable and 50% private housing units in the Aylesbury Action Area
- A minimum of 35% private housing units in the Elephant and Castle opportunity area and South Bermondsey, Faraday, Peckham, Livesey, The Lane, Brunswick Park and Camberwell Green wards.
- Minimum affordable housing percentages to be set for Canada Water and Peckham and Nunhead action area cores and the Old Kent Road and West Camberwell action areas in area action plans. The percentage for Canada



Water action area core has been submitted to the Secretary of State as 35% affordable housing.

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These are summarised in the map on Page 14.

- **Decent Homes:** To bring council homes up to the decent homes standard we will continue to deliver a programme of investment in our stock through newly procured major works contracts. We will also co-ordinate contributions to the overall effort in the following ways: Make best use of council assets including; extensions and deconversions, selling some empty (void) properties to provide a capital receipt (money raised from this will also be used to increase the supply of properties through the “Hidden Homes” scheme); identifying available land and underutilised 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.
- Pursue alternative solutions for part of the stock, including delivering major housing-led regeneration schemes such as the Heygate and the Aylesbury estate. This will mean demolishing a lot of housing in poor condition, removing the number of non-decent homes where the cost of Decent Homes is high and the wider estate regeneration issues will not be addressed by refurbishment. Other redevelopment schemes are at a pivotal stage e.g. Wooddene, Elmington. 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 work with our RSL and other partners to demonstrate a common commitment to improving the condition of all social and private housing in the borough including exploring innovative use of resources and working with the HCA and Government for additional investment.

**Homelessness:** In support of our objective to prevent homelessness and reduce the use of temporary accommodation our key targets include:

- Providing a range of housing options, homeless prevention, support and tenancy sustainment services, including financial assistance for clients to access the private rented sector
- Engaging with housing associations and other partners in strategic working to prevent homelessness, including exploring the G15 housing associations’ homelessness offer to the borough in more detail.
- Continuing to prioritise overcrowded households under the council’s lettings policy as overcrowding is a cause of homelessness.
- Providing integrated prevention, assessment and support services for young homeless people and those at risk of homelessness
- Developing schemes to convert temporary accommodation to settled accommodation.

- Working in partnership with Children's services to prevent youth homelessness.
- Tackling rough sleeping by working in partnership with a range of providers prioritising early intervention and prevention.

We are also seeking to rationalise and improve the standard of our directly provided temporary accommodation. Current proposals are to reprovide our current hostels at Southampton Way and Willow Walk, potentially consolidated onto one site.

### **Tackling overcrowding:**

In response to the significant levels of overcrowding in the borough, in addition to seeking to increase the supply of family homes through the development process, we will continue to prioritise under-occupying social housing tenants for moves to smaller properties, in order to free up larger homes for overcrowded families. We will regularly review our successful under-occupation initiative Smart Move to ensure that it continues to release family-sized homes for those in need.

**Travellers and Gypsies:** There are currently 38 authorised gypsy and traveller pitches in four sites within Southwark. Southwark will continue to protect existing sites, continue our programme of investment in our existing sites, and will provide new sites in the future to meet the accommodation needs of travellers and gypsies, although we recognise that national resources have been reduced, 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.

This is set out in policy 9 of the core strategy

Of the four current sites, two at Bridale and Ilderton Rd have been refurbished. Works are currently on site at Burnhill, with works due to complete in the third quarter this year. A refurbishment scheme is currently being developed for the remaining at at Springtide. Works should commence on this site during 11/12. The works have been funded through a combination of CLG grant and funding from the Councils' capital programme.

### **Health and social care capital investment priorities**

Provision of extra care housing for older people is a priority, and this could be a scheme in its own right or life-time homes within wider developments to give more flexibility in the context of personalisation. The provision an extra care unit is a key aspect of the plan to reduce the high costs of residential and nursing home care as well as enabling older people to remain in the borough. Housing provision for adults

with learning disability as part of the de-registration of care home provision for this client group is also a priority for Southwark. New provision for this client group could be in the form of stand alone developments, specified units within new developments or remodelling of existing supported housing facilities. We have identified the need for a third extra care facility in the north of the borough.

There may also be a need for some remodelling of supported housing - but this will become clearer as re-commissioning from the new framework agreement commences from 2010/11.

### **Jobs/ Business Growth Strategy:**

The Core Strategy sets out areas protected for business space; the central activity zone; town and local centres, strategic cultural areas, action area cores, Camberwell and on classified roads. Areas to be protected for industrial and warehousing floor space and enabling growth in new sectors such as green manufacturing and technology in the following strategic and local preferred industrial locations: South east Bermondsey, Old Kent Road, Parkhouse Street, Mandela Way.

Jobs/business space growth targets to be set in: Canada Water, Borough/Bankside and Elephant and Castle. In accordance with the London Plan, the Core Strategy sets targets for the two opportunity areas and area of intensification. It sets:

- Borough, Bankside and London Bridge – 25,000 new jobs
- Elephant and Castle – 5000 new jobs
- Canada Water – 2000 new jobs

These proposals allow development of hotels within the town centres, the strategic cultural areas and places with good access to public transport services, providing that these do not harm the local character. New jobs and training opportunities that arise from development are to be targeted towards local people and promoting supply chain opportunities for local businesses during and after construction.

Southwark has both an enterprise and an employment strategy, both of which are currently being revised. The overall vision of the **Southwark Employment Strategy** is: 'to maximise opportunities for accessing and sustaining high quality employment for all Southwark's residents'. The Southwark Employment Strategy's role is to provide a framework to improve access to good jobs and the benefits of wealth creation.

To achieve this vision, the Strategy has four key objectives:

Objective 1 – Access: To improve access to employment for disadvantaged communities in Southwark by removing barriers;

Objective 2 – Sustainability: To support new entrants to the labour market in order to sustain employment;

Objective 3 – Progression: To ensure progression in employment by building the skills of Southwark's workforce;

Objective 4 – Prevention: To prevent Southwark residents from becoming long-term unemployed.

**Southwark Enterprise Strategy** - June 2006: The overall vision of the Southwark Enterprise Strategy is to create a healthy competitive business environment built on an entrepreneurial culture with improved access to quality employment opportunities

for all residents. The Strategy seeks to encourage the creation of an environment in Southwark where business can start, grow and flourish, particularly in the most deprived neighbourhoods, and providing opportunities for all residents - particularly young people - to start new businesses and take up new and available jobs. To achieve the vision of the Southwark Enterprise Strategy and support economic development, the Strategy has four key objectives:

Objective 1: To build an entrepreneurial culture;

Objective 2: To develop and support existing businesses and promote inward investment;

Objective 3: To enhance enterprise opportunities in the key business districts and town centres of the Borough

Objective 4: To promote a safe, high quality and accessible environment for businesses.

### Southwark Schools for the Future

Southwark's Children and Young People's Plan (CYPP) applies the national Every Child Matters framework to the local context of Southwark and tackles issues identified as a priority in Southwark 2016.

Southwark's education vision aims to transform Southwark education through six priorities:

- 1: No limit to a child's potential
- 2: Responsive Services
- 3: Everyone's involved
- 4: Proud to work in Southwark
- 5: Equal life chances
- 6: Investment for innovation

Table [x] below shows the flow of these objectives and priorities through Southwark 2016, the CYPP and or Education Vision.

Table [x] Alignment of Southwark 2016, CYPP and Education Objectives and Priorities

Southwark 2016 objectives and priorities	CYPP objectives	Southwark education priorities
<p><b>Improving individual life chances</b></p> <p>For Southwark people to:</p> <ul style="list-style-type: none"> <li>• Achieve economic well-being</li> <li>• Achieve their educational potential</li> <li>• Be healthy</li> <li>• Stay safe</li> <li>• Enjoy cultural and leisure opportunities</li> <li>• Value diversity and be active citizens</li> </ul>	<ul style="list-style-type: none"> <li>• Improved literacy and numeracy</li> <li>• Reduced rates of teenage pregnancy</li> <li>• Reduced rates of childhood obesity</li> <li>• Reduced incidence of crime against children and young people</li> <li>• Raised levels of awareness of child protection across the system</li> </ul>	<p>No limits to a child's potential</p> <ul style="list-style-type: none"> <li>• Southwark students are independent, lifelong learners who have learning experiences that meet their individual needs</li> <li>• All ages of Southwark students learn and achieve at an appropriate pace and to a high level</li> <li>• Most Southwark</li> </ul>

	<ul style="list-style-type: none"> <li>• More for children and young people to do</li> </ul>	<p>students over 16 years choose to stay in education</p> <p>Equal life chances</p> <ul style="list-style-type: none"> <li>• Southwark children and young people are healthy and happy and they enjoy and achieve</li> <li>• Southwark young people make positive choices for their future</li> </ul>
<p><b>Making the borough a better place for people</b></p> <p>A place that has:</p> <ul style="list-style-type: none"> <li>• Localities of mixed communities</li> <li>• Sustainable use of resources</li> <li>• More and better homes</li> <li>• A vibrant economy</li> <li>• A liveable public realm</li> </ul>	<ul style="list-style-type: none"> <li>• Co-ordinated development of community networks, extended schools and children's centres</li> </ul>	<p>Everyone's involved</p> <ul style="list-style-type: none"> <li>• Families and the local community view their schools as the heart of their community and use their schools for many purposes, not just learning</li> </ul> <p>Proud to work in Southwark</p> <ul style="list-style-type: none"> <li>• Southwark is able to recruit and retain high achieving staff who will develop their career here</li> </ul> <p>Investment for innovation</p> <ul style="list-style-type: none"> <li>• Southwark uses all resources wisely</li> </ul>
<p><b>Delivering quality public services</b></p> <p>With public services that are:</p> <ul style="list-style-type: none"> <li>• Accessible and integrated</li> <li>• Customer focused</li> <li>• Efficient and modern</li> </ul>	<ul style="list-style-type: none"> <li>• Redesigned services for children with disabilities, continuing and complex needs</li> <li>• Children, young people and their families participate more actively in service design and delivery</li> <li>• Common tools and processes</li> </ul>	<p>Responsive services</p> <ul style="list-style-type: none"> <li>• Few Southwark young people become disengaged with education</li> <li>• Southwark students have fewer absences from school</li> <li>• Most Southwark young people attend primary and secondary school in Southwark, including those requiring special assistance</li> </ul> <p>Everyone's involved</p> <ul style="list-style-type: none"> <li>• Southwark schools give students, families and local communities high</li> </ul>

		quality services Investment for innovation <ul style="list-style-type: none"> <li>• Southwark schools inspire creativity and innovation</li> </ul>
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This strategic framework translates into a transformational £200m investment into our secondary school estate through the Building Schools for the Future programme that is being delivered through our Local Education Partnership, 4 Futures.

## Transport

In general, but particularly in the major scheme areas, the mutual impact of transport and development is clearly recognised. Most redevelopment is being delivered at a higher density than the existing. The more intensively developed sites are all in areas with good public transport accessibility, areas with high PTAL levels, thus minimising the impact on the highway network and on congestion and air quality. This ensures that contributions from the development are not usually required to increase highway capacity. However the larger developments such as the Elephant and Castle/Heygate and the Aylesbury regenerations will increase demand for public transport. The council is working closely with TfL to quantify the increase and to determine which improvements are essential for development to proceed. Increasing public transport capacity can require substantial investment in infrastructure as well as revenue support whilst new services establish their market. In certain instances provision needs to be available as the first residents move in, for others it can be phased as the development progresses. Developments are required to mitigate their direct impact through the provision of section 106 funding or the direct provision of infrastructure improvements as part of the development. They are also required on a formula basis to contribute to strategic transport infrastructure. However the amounts collected from the tariff would be insufficient to fund large scale capacity improvements such as replacing the lifts at the Elephant and Castle northern line ticket hall with escalators early in the development phasing. Currently detailed negotiations are proceeding with TfL to determine how much housing can be provided before major capacity improvements are required.

Gap funding provided to enable early works would help provide confidence that the whole development could proceed. (Will need to quantify here or in section 5)

## Our Key Targets

This section sets out Southwark's key targets.

New homes: Meet the London Plan consolidated with alterations since 2004 (2008) and core strategy target for Southwark of 24,450 net new homes between 2011 and 2026. Within this target are the following area specific targets:  
 Borough/Bankside/London Bridge opportunity area – 1,900 net new homes; Elephant and Castle opportunity area – 4,000 net new homes; Canada Water action area core – 2,500 net new homes. Over the 5 years to April 2008 8,808 new homes (net) were completed. It has been agreed that there will be 4,200 new homes on the Aylesbury estate. As a result of the economic downturn, Southwark has renegotiated its targets for National Indicators NI154 and 155 for 2009/10 and 2010/11 with the Government Office for London as follows:

	Revised target 2009/10	Revised 2010/11
NI 154	880	1492
NI 155	650	802

New Affordable Homes: achieve 8,558 new affordable homes, as set out in the core strategy (between 2011 and 2026). Southwark and our RSL partners can demonstrate a successful track record of delivering affordable housing, with substantial support from the HCA. Over the period 2006/07-2008-09 2,116 new affordable homes were completed. In spite of the difficult economic climate, 479 (525 adjusted) of these were completed in 2008/09. The provisional output for 09/10 is 589 (640 adjusted), including 128 3 bed plus units. We have also secured a place on the HCA Challenge Fund programme to deliver 19 (subject to bids clinic) local authority new build units.

Southwark has also developed a Hidden Homes programme to identify and convert vacant or disused integral spaces on our estates (such as ex-laundries, former housing offices, loft spaces and under-used garages), into residential units for letting, and in exceptional circumstances for sale. In addition, we will ensure where there are adjacent land opportunities with development potential, that these are also identified as part of the process. Larger family-sized homes, wheelchair accessible units and units potentially attractive to under-occupiers are prioritised under this initiative. Several Hidden Homes schemes are currently on site. Moving forward, Southwark will be seeking to work in partnership with RSL partners. In addition, Southwark encourages other social landlords which are seeking to develop similar programmes.

Southwark also supports RSLs actively bringing private homes back into use, whether it is by purchase and repair arrangements or by the use of Temporary Social Housing Grant. In addition, where appropriate, RSL purchasing units "off the shelf" to either to assist the viability of private developments or increasing affordable housing opportunities in an area.

Decent Homes: Investment in our housing stock and identifying how to address the investment gap is a key priority for Southwark. We advised the Government Office for London that we would not meet the Decent Homes standard by 2010, and new targets will be set now that our new stock condition survey is complete. We are conducting a base-case review looking at all HRA investment needs and assumed resources.



The council's housing stock is 65% decent, confirmed by a recently completed stock condition survey exercise. A 2 year programme is currently being delivered based on the previous stock survey information. A 5 year programme is currently being prepared, incorporating the initial 2 year plan, to deliver to the Southwark decent homes standard. TBC (comment on resource assumptions? – more grant, faster to decency..)

A strategy is in place to contribute to investment resources based on the sale of some void properties and under-utilised land on Southwark's estates. As part of our asset management approach, estates where it may be uneconomic to achieve the decent homes standard undergo option appraisal and are considered for inclusion in our regeneration plans.

Increasing the supply of family housing The 2008 Southwark Housing Requirements study and the sub-regional strategic housing market confirm the demand for family (3 bedroom and larger homes), particularly in the market and social rented sectors. There is an estimated shortfall of over 3,500 4 bedroom and larger social rented homes. The Core Strategy and Housing Strategy include the following targets to increase the supply of family homes: Developments of 10 or more units must have:

- At least 60% two or more bedrooms
- At least 10% 3,4 or 5 bedrooms in Potters Field, London Bridge, Elephant and Castle opportunity area and north of Blackfriars Road
- At least 20% 3, 4 or 5 bedrooms in the urban zone and central activities zone except where set out above (in map n)
- At least 30% 3, 4 or 5 bedrooms in the suburban zone.

Sustainable homes We will also require high energy efficiency standards for new housing developments, and residential developments should achieve at least Code for Sustainable Homes Level 4, as per CS policy 13. We require Level 4 or higher in the Code for Sustainable Homes on new developments.



Accessible homes We will ensure that at least 10% of all major new developments of 10 units or more should be suitable for wheelchair users. Wheelchair units must be built in accordance with the residential design standards as set out in the SELHP wheelchair standard, as adopted through Southwark's Residential Design Standards SPD 2008. 6% of new developments in 2008/9 were wheelchair accessible and we are working to ensure that we meet our target of 10% through measures including the new residential design standards supplementary planning document.

Private sector housing We will continue to make effective use of Temporary Social Housing Grant, which assists in bringing empty homes back into use, as well as providing housing for homeless households as an alternative to temporary accommodation, and will be pro active in working with any new funding streams.

Homelessness target: Halve the number of people in temporary accommodation (458 households) by Dec. 2010; eliminate the use of bed and breakfast accommodation for 16/17 year olds other than in an emergency. Reduce number of people sleeping rough to as close to zero as possible by 2012.

Tackling overcrowding and reducing overcrowding: Contribute to achieving the Mayor's targets to reduce severe overcrowding and under-occupation in social housing: 5% increase in moves for severely overcrowded tenants moving on 09/10 **(actual figure to be inserted when available)** and 200 under-occupying social housing tenants moved to smaller homes.

LAA Environmental Targets: 8.5% reduction per capita in CO2 emissions between 2008-11. 14, 000 council homes to be provided with loft and cavity wall insulation over the period 2009-12. A minimum of 150 private sector homes per annum in which a category 1 excess cold hazard is removed between 2009-12. Southwark has a target to increase the energy efficiency of the existing housing stock in the borough by 24.55 per cent and are working towards our target of 31 per cent by 2011. This will help to address issues such as fuel poverty.

CO2 Targets: The Council set targets for CO2 reductions per head as outlined in the following table (Executive, December 2006). These targets are based on Southwark's Greenhouse Gas Emissions report and were developed by the Southwark Climate Group. CO2 emissions per head in 2000 were 4.35 tonnes per head (Greenhouse Gas Report: Southwark 2000). The targets are set out below:

2016	2021	2050
17% reduction	24% reduction	80% reduction
3.61 tonnes per head	3.31 tonnes per head	0.87 tonnes per head

These targets should apply to both council-owned and private 'domestic buildings, non-domestic buildings and transportation' within the borough.

Work on Multi Utility Service Company approach in regeneration areas  
In larger regeneration areas the council is working with partners to deliver off-site, area based energy provision to assist in the commercially viable delivery of new development whilst allowing significantly enhanced energy performance and associated CO2 reductions.

This approach provides opportunities for both new developments and the existing housing stock. It is this existing stock where the major CO2 savings lie and could form a valuable adjunct to the refurbishment and decent homes initiatives.

Jobs / Business Growth targets: Borough/Bankside/London Bridge – 25,000 new jobs & 400,000-500,000 sqm additional business floorspace; Elephant and Castle- 5,000 new jobs and 56,000m<sup>2</sup> of commercial space; Canada Water – 2,000 new jobs; commercial floorspace at E&C.

### **Mechanisms for delivery**

We have in place a number of mechanisms to help to ensure delivery against our key priorities, as set out below:

#### **Effective partnerships**

We recognise that we cannot achieve these ambitions without our partners. In addition to the partnership working with the HCA and the partner agencies already mentioned, Southwark also has a number of successful partnership groups and forums in operation. These include the Southwark Housing Strategic Partnership, which is a multi-agency partnership between the Council, RSLs, private sector developers, tenants, leaseholders, private sector landlords and residents. Southwark Housing Association Group, which is open to all the RSLs, currently numbering over 40, with stock in the borough provides another key interface with partners, as is the South East London Housing Partnership. We also have a well-developed consultation and involvement framework with residents, tenants and leaseholders through our area housing forums, Tenant and Home Owner Councils, and Community Councils.

We have an active dialogue with the RSLs that develop in the borough, meeting with each of them formally on a quarterly basis to review their delivery pipeline, discuss new opportunities and address any issues impeding delivery. We also maintain a site register, which is regularly viewed to ensure potential development sites are being progressed.

Southwark has some significant strategic development and development partnerships – for instance at Canada Water Regeneration. They are taking Southwark's brief / vision forward into the physical delivery phases and allowing us to use our considerable land holdings in a more strategic, well planned manner. We will also engage with other major landholders in Southwark, such as Health, to identify any potential for further development.

These partnerships allow Southwark to operate in a more efficient way, achieving best consideration and best value and stay ahead of the Government's modernisation agenda that is becoming ever more demanding as regards the use of publicly owned assets. They also enable us to share intelligence and learning, and enabling resources to be targeted appropriately.

#### **Asset Management Plan**

The Asset Management Plan (AMP) is one of four interrelated strategies contained within the Medium Term Resources Strategy (MTRS). The others are the Medium Term Financial Strategy (MTFS), the Information Services Strategy and the Workforce Strategy. Together they ensure that the Council's resources are aligned in order to effectively and efficiently deliver the corporate and Southwark 2016

objectives. Specifically the AMP seeks to align the Council's property assets with these objectives and rationalises how these assets will help realise those goals. It also seeks to provide a fit for purpose, modern estate of properties in appropriate locations bringing both efficiencies and value for money benefits.

The principles that underpin the asset management planning are that the estate:

- Is treated as a corporate resource and is managed corporately;
- Supports the delivery of the Corporate Plan and Community Strategy;
- Is well maintained and fit for purpose;
- Is fully utilised;
- Is suitably located and accessible;
- Is cost effective and represents a value for money return on the Council's investment.

Savings and rationalisation is increasingly a key driver, with successful strides being made with the move of approx 2000 staff to a new administrative centre at Tooley Street in the north of Southwark, and the ongoing Localities project which is rationalising the public facing service delivery function. This approach gives rise to significant business benefits, but is also driven by the Government and District Audit through the Comprehensive Area Assessment, Comprehensive Spending Review and Operational Efficiency Programme. Moreover, the current economic environment will result in even greater emphasis being placed on savings and efficiency.

The key to successful implementation and delivery is central control coordinating all decisions to ensure a corporate approach, and ensure consistency. Particularly in the context of the council's residential housing assets, the use of the options appraisal methodology developed with KPMG is used to ensure the most beneficial outcomes in line with the Asset Management Plan objectives. The council has a large and diverse housing stock holding, and the option appraisal methodology enables decisions to be made in accordance with strategic fit and with an understanding of risk, as well as a range of financial components.

### **Planning Services**

The Council's Development Management Service will work with developers to deliver good quality housing and services within attractive, distinctive neighbourhoods. It seeks to optimise the use of brownfield sites, whilst respecting local context and character. Density of new development will be related to the accessibility of sites to public transport, as well as the local context. Areas of comprehensive redevelopment must create well-planned environments with an integrated network of schools, shops, open spaces and other facilities delivered in tandem with new housing.

All new development will need to mitigate its impacts on local infrastructure through projects and contributions secured in S106 Agreements. These agreements will enable the Council (or other providers) to meet the cost of expanding or improving schools, health services, open spaces, sports facilities, public transport and other public infrastructure. This will ensure that the additional pressure on facilities can be accommodated, and that existing communities are not disadvantaged by growth in populations. The council provides a S106 Toolkit for developers to calculate outline contributions on our website.

The Council will offer a high quality Development Management service to developers, and provide clear, consistent and user friendly planning advice. It will offer an integrated, charged, service at the pre-application stage, which aims to identify issues, minimise development risks, and make a creative contribution to the shaping of developments. Effective use of the pre-application service will enable decisions to be made in a timely manner, taking into account issues of viability, phasing and sustainability.

### **Key Management Tools**

We use a number of tools/structures to ensure that we meet our targets. They include:

- Housing Regeneration Board
- Housing Supply and Demand Model
- LBS / KPMG Asset Investment Options Appraisal Methodology
- Asset Management Plan (Property)
- GLA Population predictions and school place models
- Total Place & (Total Capital) methodology.

### **The housing supply and demand model (to be attached)**

This comprehensive model provides details of new housing supply, modelled until 2020 and shows all schemes with their expected completion dates and other scheme characteristics such as tenure mix and number of homes. The data is provided by a number of sources including;

- Southwark's RSLs partners
- Private developers
- Councils' Regeneration Projects
- Council's Emerging Core Strategy & Strategic Housing Land Availability Assessment (SHLAA) and Development Capacity Assessment (DCA)..

The model relies on the Mayor's SHLAA the Council's more recent and detailed DCA and sources listed above to project future new supply, beyond schemes which already have a defined delivery. The SHLAA contains all sites in the borough over 0.25 of a hectare that might come forward for housing (as well as smaller sites in the key growth areas of Borough, Bankside and London Bridge, Canada Water, and Elephant & Castle) and estimates when that is likely. Estimated completion dates for schemes are shown in five year bands, in accordance with the SHLAA methodology. For the model annual completions dates are given for schemes within their five SHLAA completion banding.

## Section 3: Our Plans

### Opportunities

The London Plan 2008 sets us a target of 16,300 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 new homes between 2011 and 2026. The consultation draft replacement London Plan 2009 target of 2005 units per year was released on 12 October 2009. We will work with GLA officers to reach a common view on the most appropriate target. This is the 5th highest housing target in London. The target will be discussed at the Examination in Public into the core strategy in July 2010

Through our input into the Mayor's Strategic Housing Land Availability Assessment and our subsequent development capacity assessment (March 2010) we have identified sites with the potential capacity for 20,917 new homes between 2011 and 2026. 19,718 of which are on sites of 0.25 hectares or above, and 7,434 units already have planning permission. This is the most housing we expect to be able to deliver based on past experience, new sites we have identified and possible future smaller sites. The SHLAA and DCA look at the potential delivery and capacity and we do not expect all of these sites to be developed. 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.

The London Plan consolidated with alterations since 2004 (2008) and the draft replacement London Plan 2009 set targets for Borough, Bankside and London Bridge, Elephant and Castle, and Canada Water for the periods 2001-2026 and 2009-2026 respectively. The targets for each area are as follows:

- Borough, Bankside and London Bridge is 1,900 new homes in the draft replacement London Plan and 2,500 new homes in the current London Plan.
  - We have identified 3,295 new homes that we expect to be delivering during this time, of which 1129 already have planning permission.
- Elephant and Castle is 4,000 new homes in the draft replacement London Plan and 6,000 new homes in the current London Plan.
  - We have identified sites to deliver 4,579 new homes, of which 1222 already have planning permission.
    - The target for Canada Water is 2,500 new homes in the draft replacement London Plan and 2,000 new homes in the current London Plan. We have identified sites to deliver 2,647 new homes, of which 1,878 already have planning permission

In addition to these London Plan targets we have also identified the amount of housing that may come forward in each of our other action areas which do not have targets in the London Plan. We will provide further detail on how we will meet these targets through the area action plans. These are as follows:

- Aylesbury area action plan will deliver 4200 homes.
- Peckham and Nunhead Action Area is 2000.
  - We have identified 2439 new homes that could come forward.
- Camberwell Action Area (expected 2012) will propose 400 new homes.
  - We have identified 462 new homes that could come forward.
- Old Kent Road Action Area is 200.
  - We have identified 246 new homes that could come forward.

The table below sets out a synopsis of the estimated capacity of the borough and its phasing. Note : *Needs updating once we have finished completions survey*

	No Dwellings	No sites	No proposal sites	No units on proposal sites	Site no with Planning permission	Units with planning permission	Affordable Housing	No site over 0.25	No units over 0.25	No sites under 0.25	No units under 0.25
<b>2011-2016</b>	13527	174	40	6194	50	5597	4342	68	11505	106	2022
<b>2016-2021</b>	7510	63	26	2706	10	1526	2680	43	7328	20	182
<b>2021-2026</b>	2101	29	4	463	1	311	807	25	2049	4	52
<b>2011-2026</b>	23138	266	70	9363	61	7434	7829	136	20882	130	2256
<b>2011-2026</b>											
<b>Whole borough</b>	23138	266	70	9363	61	7434	7829	136	20882	130	2256
<b>OKR</b>	246	7	1	26	1	46	80	3	151	4	95
<b>Camberwell</b>	462	12	1	60	4	209	198	5	316	7	146
<b>Peckham and Nunhead</b>	2439	38	9	627	6	552	941	19	2024	19	415
<b>Aylesbury</b>	1266	5	4	1244	4	1244	608	4	1244	1	22
<b>Canada Water</b>	4356	21	20	2859	6	1555	1138	14	4191	7	165
<b>Elephant and Castle</b>	4579	31	18	2872	10	1222	1663	23	4332	8	247
<b>BBLB</b>	3295	89	2	304	17	1129	972	26	2457	63	838
<b>Total in opportunity / action area</b>	<b>16643</b>	<b>203</b>	<b>55</b>	<b>7992</b>	<b>48</b>	<b>5957</b>	<b>5600</b>	<b>94</b>	<b>14715</b>	<b>109</b>	<b>1928</b>

Our housing supply and demand model (most recent version attached at Appendix X) sets out anticipated housing supply as identified by the SHLAA etc, by scheme completion date, as well as housing demand. The model is updated quarterly, using the most up to date information available from a variety of sources, as outlined in Section 2....

HCA funding support has been instrumental in the early delivery of schemes of many of the schemes in Southwark. Bermondsey Spa, Canada Water, Aylesbury (Phase 1a) and Elephant & Castle (early housing sites) are all benefitting from SHG to deliver affordable housing. In most cases, the original expectation was that the market housing would cross subsidise much of the affordable supply. On the understanding that this position may never become reality, further support from the HCA will be necessary to ensure ongoing delivery.

### **Delivery Schedule**

Attached as appendix ... is the Council's Delivery schedule, which was developed in partnership with the HCA, to provide a framework for the Single Conversation discussions. The data is derived from the Housing supply and demand model, but focuses on the council's regeneration schemes and land disposals with a summary total for the wider programme.

## **Regenerating Southwark:**

We have a range of regeneration schemes at a range of scales and are in different stages of the cycle of delivery. This section focuses on four of the major schemes at Elephant & Castle, Aylesbury Estate and Canada Water

### **Elephant and Castle**



### **Introduction**

The Elephant & Castle occupies a central London location and benefits from strong public transport connections. The 1960's re-planning of the area created a built form which cannot respond to new investment opportunities. The construction of the inner ring road resulted in the centre of the area being disconnected from the neighbourhoods which surround it. In addition to the area's physical disadvantages, the Elephant and Castle also faces a number of complex and interlinked social and economic challenges. The East Walworth ward in which the site is located is the most deprived ward in Southwark. Despite being located in London's Zone 1 of the tube system many local people remain marginalised from central London employment and the socio-economic life of the city. While the area is located in the Central Activities Zone it has many of the characteristics of Inner London. Schools have traditionally struggled to equip young people with the means to overcome the obstacles to a fuller participation in the central economy. These deep seated socio-economic issues remain the Council's fundamental motivation for seeking to regenerate the area.

### **Plan led redevelopment**

The London plan identifies the Elephant & Castle as an opportunity area with the capacity to accommodate up to 6000 new homes and 4200 jobs. In order to address the area's weaknesses and release its potential the Council has embarked upon a comprehensive plan led solution. The Southwark plan identifies a core site 55 acre site comprising the council owned Heygate, the shopping centre , London Park Hotel and other land in private ownership on the west side of Walworth Road ] which will be

subject to comprehensive redevelopment. The objective of the phased redevelopment of this core site is to establish the Elephant & Castle as a thriving and successful urban quarter. A new mixed use town centre is to be developed based around an open network of public routes and open spaces. The council is seeking to bring forward a decentralised network of heat power, cooling and non potable water in partnership with Dalkia and Veolia water to achieve London Plan sustainability and low carbon objectives.

### **Redevelopment of Heygate Estate and Shopping centre**

Securing the redevelopment of the 23 acre Heygate estate and the shopping centre is an essential component of the delivery of this wider vision. The Council completed Heads of Terms for the redevelopment of the site with Lend Lease Europe in December 2009 and the completion of the full Regeneration Agreement (RA) is now expected in July 2010. Following completion of the RA Lend Lease will then commence preparation of a detailed application for phase 1 [comprising the Wingrave Blocks and 43-53 Rodney Road] and an outline application for the remainder of the site]. The applications are programmed to be submitted in Autumn 2011. The rehousing of residents on the estate is well advanced. As of June 2010 only 20 leaseholders and 15 secure tenants remained to be rehoused. The council has agreed to pursue a compulsory purchase order if that is necessary to secure vacant possession of the site. Phase 1 is now fully vacated and the process of demolition is underway. The main contractor will be appointed in October and it is expected that works to demolish and clear the site will be completed by April 2010. . Subject to planning early phases of the re-development of the Heygate by Lend Lease to provide market and affordable housing can take place from 2013.

### **Early development**

In order to kick start the redevelopment of the area a programme of infrastructure and public realm improvements has been undertaken in partnership with the LDA and TfL. The LDA has provided £1.9m towards the costs of the refurbishment of St Mary's Churchyard and the removal of the southern roundabout and subways. The £1.3m project for the churchyard designed by landscape architects Martha Schwartz was completed in March 2008 and the newly landscaped park including children's play facilities was formerly opened in May 2008.

A £2.9m scheme to remove the roundabout and subways was agreed by the Mayor for London in March 2009 and enabling works have been completed. The full civil engineering works are scheduled to commence in July 2010 and the scheme will be completed by spring 2011.

### **Achievements to date**

There has been significant early commercial development. The 43 storey Strata tower comprising 408 units [of which 98 are affordable including 20 shared equity units which are being directed in the first instance towards Heygate leaseholders] is already a landmark on the London skyline and will be complete by May 2010. The development has generated a £1 million programme of public realm improvements. In combination with the southern roundabout works these projects will demonstrate that regeneration now well underway at the Elephant & Castle. The Printworks scheme which is part of the LWI programme is now almost complete and will provide 24 rent and 43 shared ownership units.

In combination these schemes have brought considerable investment to the area, increased market confidence in the regeneration and secured benefits for local



residents in the form of public realm, employment and training opportunities and affordable housing units.

Development activity in the area has been maintained through partnership schemes with housing association partners on council owned land which have successfully secured HCA kick start funding. To date, six sites at New Kent Road, St Georges Road, Brandon Street, Camberwell New Road, Townsend Street and Library Street comprising 250 units in total are now underway. The first pilot scheme at Wansey St was completed in 2007

### **The Aylesbury Estate**



The Aylesbury Estate is located in the heart of Southwark to the north of Burgess Park. It comprises 2,758 homes (18% of which are leasehold properties) with approximately 8,000 residents - 70% of these residents are from BME backgrounds, which is more than three times the borough average of 21%.

The redevelopment of the Aylesbury estate will provide the blueprint for the implementation of an ambitious programme over the next 20 years with new high quality homes, schools, roads, parks and open spaces.

At the time of its construction (1966 – 1977) the plans were considered aspirational – large concrete slab blocks with elevated pedestrian walkways would link a number of estates between the Elephant and Castle and Peckham to create a more attractive and safe living environment. Over time it has acquired many of the attributes of inner city deprivation.

To date much of the social regeneration has been carried out by the Aylesbury New Deal for Communities (NDC) which has helped to pave the way for the physical regeneration. Launched in 1999 the NDC aimed to transform the lives of residents through improved education, health, employment and by reducing not just crime, but also the fear of crime. Although many of the programmes were very successful, the proposed physical improvements were necessary. Physical regeneration is needed as it is clear that without significant intervention, the estate will continue to deteriorate to unacceptable levels. In September 2005 the Council with the full backing of the Aylesbury New Deal for Communities (NDC) and the majority support of residents

decided that long term sustainable change could only be achieved through estate-wide demolition and re-development.

The regeneration scheme will replace the existing 2,700 properties with around 4,200 brand new, mixed tenure homes made to the life time homes standard with a 50% affordable and 50% private tenure mix. This will help to encourage a sustainable community. Following the development of the original Aylesbury Estate, one of the key lessons learnt is that of creating a sustainable community that families will choose to live in. This means providing social, physical and environmental (at least, code for sustainable homes level 4) sustainability.

The new homes will be complemented by two rebuilt schools, and one completely new school – on the existing Michael Faraday, Walworth upper secondary and Walworth lower secondary school sites respectively. The design of the new school by Alsop Architects will replace the existing cramped and unsuitable accommodation with a dynamic, circular two-storey building. It is due for completion in 2010.

A community spine (the main road running north to south through the estate) will be at the centre of a network of new roads, cycle paths, footpaths and also a range of social and community spaces such as health centres and childcare facilities. A revitalised Burgess Park plus a network of improved and properly managed open spaces will be key value drivers for the scheme.

#### Achievements to date

The Aylesbury Area Action Plan (AAP) which sets out the regeneration ambitions for the area was adopted by the Council in Jan 2010. The AAP is a blueprint for future development, which describes the regeneration of the Aylesbury estate in 4 phases over 20 years. Residents have been integral in shaping each stage of the AAP process.

In parallel to the development of the AAP, London & Quadrant (L&Q) Housing has been appointed to deliver and manage 260 mixed tenure homes and build a resource centre for adults with physical, neurological and sensory disabilities, on the first development site. The development of the resource centre is already underway.

Re-housing has started on the next development site and a developer selection process is underway. The leasehold interest in 106 properties has also been bought out to date.

The council has been accepted onto the Round 6 Housing PFI programme, and the PFI component is integral to the delivery of the council's vision as set out in the AAP. An outline business case is currently being developed with HCA colleagues, and this will be key to the early delivery of the overall project. It is intended that the PFI scheme will deliver 360 social rented homes in a re-aligned Phase 1 which also projects the development of intermediate and market housing in accordance with the AAP. It is the council's intention to use a single procurement process to deliver both the PFI and non-PFI elements of the regeneration because a single planning application is required under the AAP to ensure that all phases are developed in a way that assures the realisation of sustainable mixed tenure communities.

The regeneration of the Aylesbury estate is a key priority for Southwark which will bridge the gap between not just the living standards and quality of homes, but also the quality of life between the north and south of the borough. These physical changes will lead to a significant improvement in the life chances of residents such as enhanced early years, primary and secondary education, better living and health

standards, reduction in illness and improvement in life expectancy and employment opportunities.

Work on Walworth Academy is also underway and expected to be completed by early 2010. Walworth Academy, sponsored by ARK Schools, will bring together all its 1140 students on the same site for the first time, developing a real community within the school. The Academy is also helping to kickstart the wider Aylesbury regeneration by providing local young people and their families with high quality education facilities.

## Section 4: Current Investment and Delivery

Southwark has a long and proud track record of both direct intervention and enabling investment and programme delivery. Providing a clear vision and leadership has shown how to encourage investment into the borough. Southwark has clearly defined the main intervention areas and projects across the borough and investors have tended to cluster around these.

The current and projected position is summarised laid out in 2 main sections:

- Affordable Housing Delivery
- Council's capital programme
- Projected requirements

### Southwark affordable housing funding 2008-11

Our current housing programme being delivered with HCA support is summarised in Table n.

(Does not include temporary social housing grant and works to RSLs' own stock)

	Grant	Total Units	Total Pers	Grant / unit	Grant / pers	3-bed+	% 3-bed+
<b>Rent</b>	166,606,660	1,364	5,020	122,146	33,189	437	32%
<b>SO</b>	16,418,006	421	1,194	38,998	13,750	12	3%
<b>INT/RENT</b>	15,978,773	292	855	54,722	18,689	10	3%
<b>TOTAL</b>	<b>199,003,439</b>	<b>2,077</b>	<b>7,069</b>			<b>459</b>	<b>22%</b>

N.B These figures are approximate and rounded up/down as appropriate.

This substantial programme is reflective of the existence of development capacity, planning policy, housing strategy, which are documented in other sections, as well as expertise in relevant areas eg procurement, property and legal services. Not least it also points to the presence of significant housing need, which we anticipate to be the case for the life of our current corporate and investment plans. We can also demonstrate a willingness to pursue partnership delivery eg use of HCA developer panel at Aylesbury and current programme management experience and capacity.

Development of all tenures has worked in Southwark. Before the recession, market housing development has been successful; new housing at Canada Water sold through the downturn. Demand for social housing has never diminished, and intermediate schemes have also had successful take up with new rent to buy products being particularly popular. Some retained equity properties have also been developed, proving particularly popular helping existing leaseholders at Heygate

Estate to continue as home owners in an area where they would struggle to find property of equivalent value.

In the recent times of difficulty for the development industry, we have also adopted a flexible approach to secure housing delivery in the following ways:

1. The council has shifted from the longstanding policy of not supporting the use of Social Housing Grant for S106 affordable housing delivery. Now, where developments have a 3 Dragons economic appraisal that shows the need for additional finance to enable the scheme to deliver, and the quality of the units reach the required standards and provide the required mix of units to address housing need in the borough, support is generally given for bids to the HCA. This policy development has been conducted in a controlled fashion with external validation by eg the District Valuer on individual schemes. Obviously this has assisted in making schemes viable overall and improved the proportion of affordable housing.
2. Also in the context of affordable housing, Southwark was one of the first authorities to build reviews into S106 agreements, so that if end values in developments increase beyond an agreed baseline, there is scope to improve the affordable proportion. The council has also adopted the practice of granting short consent periods on smaller schemes where concessions have been made on the affordable proportion, to encourage their early delivery.
3. Our new LDF Core Strategy requires student housing developments to provide affordable housing.

4. Revisions have been agreed to tenure allocations mix on schemes including,

Shared ownership units being changed to general needs rent or another form of intermediate tenure, for example intermediate rent, and /or:

- Private units changed to an intermediate, other than shared ownership or general needs rent.
5. The council has liaised with developers and supported bids for Kick Start funding on a number of large developments. Unfortunately, only one scheme in Southwark has been accepted.
  6. The council is also investing resources in unlocking important schemes, for example at Elmington Estate where a mixed scheme of redevelopment and investment to Decent Homes standard has been agreed. This mixed solution provides an important model to assist the balance between stimulating new development on the one hand and investment in Decent Homes and landlords' obligations in our own stock on the other. The council has also just agreed the use of an Affordable housing Fund contribution to an existing development scheme at Canada Water.

For the purpose of preparing this Borough Investment Plan and to inform more detailed work on the Borough Investment Agreement to follow, we have collated information from the supply and demand model, and the delivery schedule into a table of resources required, based on the current NAHP methodology.

**See attached spreadsheet.** Needs to include a line for TSH/ Private Stock Condition / RSL investment in stock.

The council has a substantial capital programme across its full of functions: the 3 year programme undergoes a thorough periodic refresh. The corporate programme is summarised in projected expenditure and resource terms in Table n below, and the housing investment programme which is projected further ahead is summarised in Table N.

INVESTMENT AND DELIVERY – LOCAL AUTHORITY

GENERAL FUND SUMMARY MONITORING POSITION AS AT SEPTEMBER 2009											APPENDIX A	
		2009/10			2010/11			2011/12+			Total Programme 2009/10 - 2015/16	
DEPARTMENT	Agreed Budget 2009/10	Forecast 2009/10	Variance 2009/10	Agreed Budget 2010/11	Forecast 2010/11	Variance 2010/11	Agreed Budget 2011/12+	Forecast 2011/12+	Variance 2011/12+	Total Agreed Budget remaining at 01/04/2009	Total Forecast	Total Variance
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Children's Services	38,049	35,010	(3,039)	14,755	25,513	10,758	13,985	13,867	(118)	66,789	74,390	7,601
Southwark Schools for the Future	25,595	25,596	1	57,108	57,108	0	121,350	133,559	12,209	204,053	216,263	12,210
Southwark Schools for the Future - Contingency	0	0	0	0	0	0	17,181	17,181	0	17,181	17,181	0
Deputy Chief Executives	11,887	11,714	(173)	1,900	1,900	0	0	0	0	13,787	13,614	(173)
Environment and Housing	34,665	37,078	2,413	25,513	25,367	(146)	0	1,656	1,656	60,178	64,101	3,923
Health & Social Care	3,781	1,447	(2,334)	2,000	5,189	3,189	0	2,150	2,150	5,781	8,786	3,005
Housing General Fund	7,565	6,128	(1,437)	8,237	9,006	769	0	667	667	15,802	15,801	(1)
Regeneration & Neighbourhoods	26,430	24,697	(1,733)	11,615	9,619	(1,996)	0	350	350	38,045	34,666	(3,379)
<b>TOTAL</b>	<b>147,972</b>	<b>141,670</b>	<b>(6,302)</b>	<b>121,128</b>	<b>133,702</b>	<b>12,574</b>	<b>152,516</b>	<b>169,430</b>	<b>16,914</b>	<b>421,616</b>	<b>444,802</b>	<b>23,186</b>
<b>FINANCED BY:</b>												

GENERAL FUND SUMMARY MONITORING POSITION AS AT SEPTEMBER 2009											APPENDIX A	
		2009/10			2010/11			2011/12+			Total Programme 2009/10 - 2015/16	
DEPARTMENT	Agreed Budget 2009/10	Forecast 2009/10	Variance 2009/10	Agreed Budget 2010/11	Forecast 2010/11	Variance 2010/11	Agreed Budget 2011/12+	Forecast 2011/12+	Variance 2011/12+	Total Agreed Budget remaining at 01/04/2009	Total Forecast	Total Variance
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Corporate Resource Pool	70,505	70,048	(457)	49,137	53,331	4,194	21,139	23,536	2,397	140,781	146,915	6,134
	0	0	0	0	0	0	0	0	0	0	0	0
Supported Borrowing	0	0	0	0	0	0	0	2,298	2,298	0	2,298	2,298
Reserves & Revenue	6,231	2,221	(4,010)	1,391	391	(1,000)	0	0	0	7,622	2,612	(5,010)
Capital Grants	62,637	61,721	(916)	69,213	79,923	10,710	130,099	143,546	16,547	261,949	285,190	23,241
Section 106 Funds	4,563	4,940	377	1,387	1,905	518	0	650	650	5,950	7,495	1,545
External Contributions	4,036	3,191	(845)	0	400	400	1,278	1,298	20	5,314	4,889	(425)
<b>TOTAL RESOURCES</b>	<b>147,972</b>	<b>142,121</b>	<b>(5,851)</b>	<b>121,128</b>	<b>135,950</b>	<b>14,822</b>	<b>152,516</b>	<b>171,328</b>	<b>21,912</b>	<b>421,616</b>	<b>449,399</b>	<b>27,783</b>
<b>Forecast variation (under)/over</b>	0	(451)	(451)	0	(2,248)	(2,248)	0	(1,898)	(4,998)	0	(4,597)	(4,597)
<b>Cumulative position</b>				0	(2,699)	(2,699)	0	(4,597)				

## Housing Investment Programme – indicative allocations:

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
<b>Allocations for HRA:</b>							
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
<b>Allocations for non-HRA:</b>							
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
<b>Total</b>	<b>107.611</b>	<b>107.165</b>	<b>99.070</b>	<b>92.757</b>	<b>98.845</b>	<b>68.436</b>	<b>66.936</b>

One of the highlights has been that we were successful in obtaining funding to develop 19 council homes for social rent from the HCA's challenge fund, with the units due for completion in October 2011. Works are also underway to complete the refurbishment of the four Gypsy and Traveller sites in the borough, with funding now under the auspices of the HCA.

## INVESTMENT AND DELIVERY – PRIVATE and 3rd SECTOR

The last decade has seen massive strides forward in private sector led developments in Southwark, with significant investment in high profile developments particularly in the north of the borough. Substantial housing and commercial schemes have already been delivered by private developers at More London, Bankside and Elephant and Castle producing landmark buildings eg Palestra, Strata Tower etc and further schemes are progressing in those locations and further afield. The significance of the Shard at London Bridge has been outlined elsewhere, but it is evidence of private developers and financial institutions seeing Southwark as a place to invest. There has also been a trend of individual developers taking an interest in specific locations, and building site portfolios, or becoming strategic developers eg BLCQ at Canada Water. Some of this activity has been encouraged by the council creating an environment attractive to developers eg at Elephant & Castle where developers have showed confidence in the area as a result of the council shaping the change. At the wider scale, discussions to...with Lend Lease at the Elephant and Castle are well advanced, and enabling activities such as decanting the Heygate Estate are nearing completion.

Southwark has a major advantage of being able to co-ordinate development activity by the use of the council's land holdings. The schemes where we have been able shape change and attract developers and forge successful partnerships because of significant landholdings in council ownership are:

Lend Lease at Elephant & Castle  
 British Land Canada Quays and Barratt Homes – Canada Water  
 Berkeley Homes – Potters Field  
 Hyde Housing Association – Bermondsey Spa  
 Notting Hill Housing Trust – Bermondsey Spa, Wooddene, Elmington  
 Higgins Homes - Silwood.



We look forward to further exploring a range of asset backed vehicles with developers, the HCA and local communities.

We are also exploring the possible outcomes of the encouragement being offered to institutional investors to become involved in residential development and feel that Southwark can offer suitable opportunities in a number of areas, and potentially with specific initiatives eg use of the private rented model at the LWI London Park Hotel site at Elephant & Castle.

## Section 5: Summary of Key Priorities and Resources

As stated in the Strategic Ambitions, and Plans sections, our priority areas in spatial terms are: Central Activity Zone; Borough, Bankside and London Bridge; Elephant and Castle; Canada Water; Aylesbury; Peckham and Nunhead; Old Kent Road; and Camberwell.

### Our investment priorities are:

- Meeting housing need and housing targets by provision of new good quality affordable housing and by making the most effective use of the existing social housing stock (e.g. through initiatives to reduce under-occupation), and increasing
- Intermediate supply to meets aspirations and income levels of our current and future population eg rent to buy and retained equity.
- Achieving significant regenerative impacts in several areas of the borough with mixed tenure schemes of varying sizes, from Elephant and Castle, and Aylesbury to Elmington and Wooddene. Supporting existing and new communities.
- Supplementing traditional supply through Hidden Homes and land capacity development, in council stock, and in those of other providers eg RSL partners and the City of London Estates in Southwark.
- Securing investment in infrastructure, including transport, energy and waste / recycling to support our programme of change.
- Achieving a process of renewal for parts of the council's housing stock particularly where investment need is high and resident satisfaction levels are low. (Worst 10% of stock will take 20% of resources).
- Raising the standard of the existing stock of all tenures, but particularly to reach and maintain the Decent Homes standard for all council stock, in particular, warmer, drier and safer by 2014.
- Continuing a programme of carbon reduction with major interventions such as CHP delivery in suitable larger schemes, and retrofitting, PV arrays etc to existing units.
- Securing investment from others, including energy companies, to support the council's planned investment.
- Use resources wisely, with effective co-ordination of procurement and disposals, good partnerships and control over quality and outcomes.
- Continue momentum in existing schemes that have already delivered well eg Bermondsey Spa and Canada Water.
- Meeting the needs of the elderly population by the development of an extra care facility and meeting the needs of people with learning difficulties with either new small care facilities or the remodelling of existing buildings

### Resources needed:

- New affordable housing potential, if all delivered by NAHP c £464m in 5 years
- Existing council stock to Decent Homes c £...m for ... standard
- Gap funding of £n for early enabling activities eg leasehold acquisition by negotiation.

### Where

Canada Water Regeneration

Bermondsey Spa Regeneration  
Elephant & Castle Regeneration and MUSCO  
Aylesbury Regeneration – Phase 1, PFI elements, and remaining phases.  
Coopers Rd phase 4  
East Dulwich Estate new build  
Wider supply programme where in line with the Housing & Core Strategies - as expressed in Delivery Schedule.  
Southampton Way / Willow Walk – hostel redevelopment unlocking further housing development on both sites.  
Carisbrooke Gardens / Peckham Partnership 7  
Southwark and RSL housing estates, particularly those not currently meeting the decent homes standard, where partial redevelopment or development on vacant land is appropriate.  
An Extra Care unit & developments for people with learning difficulties, either new schemes or remodelling of existing units

END

### **Confidentiality**

Both the Homes and Communities Agency and LB of Southwark agree to respect the confidentiality of documentation produced as part of the Single Conversation, Investment Programme and assessment of bids. The information contained within the tender / bid documents and any related discussions and material should not be discussed with, or provided to, any third parties, including the individual RSLs, without prior agreement between the parties.