

Item No.	Classification: Open	Date: 14 March 2013	Decision Taker: Deputy Leader and Cabinet Member for Housing Management
Report title:		Funding for environmental works to Vauban and Neckinger Estates	
Ward(s) or groups affected:		Grange ward; residents of Vauban Estate and Neckinger Estate	
From:		Chief Executive	

RECOMMENDATION(S)

That the Deputy Leader and Cabinet Member for Housing Management:

1. Agrees a variation of investment strategy to undertake environmental works to Neckinger and Vauban estates.
2. Agrees an allocation of £1 million for this purpose.

BACKGROUND INFORMATION

3. The purpose of this report is to seek approval to carry out environmental works to the Neckinger and Vauban Estates to honour a commitment made to residents. The capital allocation for these works should be £1 million, which is in addition to the £10,206,293 committed to work programmes aimed at bringing these estates up to decent homes standard.
4. This issue dates back to 18 October 2000 when Council Assembly approved the decision of the Ratification Committee of 27 September 2000 agreeing the recommendations of a report entitled the Bermondsey Spa Regeneration Project, which confirmed the draft masterplan and implementation strategy – executive summary.
5. The masterplan outlined a number of development opportunities for the area including a proposal for the extensive refurbishment of the housing blocks earmarked for retention and other general landscape improvements to Neckinger and Vauban Estates in particular.
6. The implementation strategy summary report outlined an indicative capital receipt to the council from land sales within the Bermondsey area at that time of £18m and also indicated that the overall cost of meeting the masterplan objectives for the community benefits package would be in the region of £10.5 million, to be implemented over a ten year period, to include public realm works.
7. Whilst there has been no formal decision on details or finance, beyond the indicative values outlined in the Masterplan, there is a range of evidence to show that discussions with residents has resulted in resident expectation, reinforced over time, which has created a commitment to the principle of completing these environmental works.
8. The original masterplan provided an outline of the design principles and an

indicative approach to the environmental improvements proposed.

- The vision for the Vauban Estate was that 'within the estate, landscape improvements will be introduced in tandem with building refurbishments to uplift the living environment. This will provide more formalised parking spaces'
 - The proposal for the area including the Neckinger centred around the reorganisation of open spaces on the 'Old Neckinger to the north and implementing measures to soften the relationship with the railway viaduct and industrial workshops along the eastern edge'.
9. A budget was included in the housing investment programme to allow for housing investment works to be completed at Casby and Bowley Houses and the Neckinger and Vauban Estates. As a result six schemes have been initiated to date and expenditure to 31 March 2012 was £10,022,779 with a further £183,514 forecast for expenditure at the end of the 2012/13 financial year. A total expenditure of £10,206,293.
10. The refurbishment works to Neckinger and Vauban Estates were completed to the previously adopted Southwark higher standard and included the installation of new kitchens and bathrooms, electrical upgrading and heating works to tenanted properties as well as other external block works such as the renewal of front doors, windows etc. However, no works were carried out to the external environment of the estates.

KEY ISSUES FOR CONSIDERATION

11. As a part of a review to examine its approach to meeting the decent homes standard within its housing stock on an interim basis, Southwark adopted a higher standard in 2008 whilst undertaking further stock condition analysis and to meet resident aspirations highlighted through extensive consultation. As a result investment programmes completed on estates after this period included a greater level of internal improvements to tenants' homes such as the renewal of kitchen and bathrooms in addition to general major works. The completion of these works has enabled the council to meet its landlord obligations.
12. Council housing investment policy changed in 2011 which means that residents whose homes are in the current five year investment programme to 2016 will not benefit from enhanced works beyond the warm, dry and safe package. The proposal outlined in this paper therefore sits outside of current policy.
13. The environmental works proposed for the two estates allows for the following works to be completed.
- Vauban Estate: re-provision of the children's play area to the middle of the estate, rationalisation of the entrance to the estate in line with Spa Park, traffic management, parking bays, revamp grass areas and planting, reorganise refuse arrangements.
 - Neckinger Estate: The intention here is to have a seamless transition from the highway through the estate which would include surface treatments to paving and hard landscaping, estate lighting, the installation of fencing for defining routes through the estate and landscaping of grassed areas and planters.

14. Consultation about these proposals, in particular the location of the play area, will be undertaken with estate residents in the normal way, prior to implementation.
15. In conclusion, it is proposed that the environmental works to the estate is completed, capped at £1 million, as this provides the opportunity to integrate the existing housing stock with the new homes, outdoor spaces and improved community facilities already provided in the area.
16. The Bermondsey Spa area has generated significant capital resources for the council. This variation will mean that council tenants and residents who have been impacted by continual change over the last twelve years will benefit from the generation of these receipts through the delivery of these environmental works. In addition, the proposed works would further contribute to the area improvement achieved by the overall regeneration and conclude what is essentially unfinished business.

Policy implications

17. As part of a review to determine its approach to meeting decent homes targets, Southwark adopted a higher standard in 2008 on an interim basis whilst undertaking further stock condition analysis and in order to meet resident aspirations highlighted through extensive consultation on this issue. As a result the investment programmes on estates during this period included a greater level of internal improvements to tenants' homes such as the renewal of kitchen and bathrooms in addition to general upgrading works.
18. A further review of council policy in relation to its approach to meeting decent homes works programmes targets by cabinet in May 2011, linked to budget considerations and the need to increase the number of homes made decent, resulted in the Southwark standard being revised with the focus on creating warm, dry and safe homes without wholesale renewal of kitchen and bathrooms and any other enhancement works. As a result of the revised approach a five year housing investment strategy was agreed in October 2011 and a programme put in place to 2016.
19. The exception to this will be an enhanced package of works delivered to the High Investment Needs Estates such as the Hawkstone low rise, the Abbeyfield Estate and the Four Squares Estate approved by cabinet in 2011/12 which agreed a higher package of investment works to these estates. Some of the resources for these schemes are to be generated from disposals on those estates.
20. Whilst the recommendations of this report conflicts with current housing investment policy, the decision to deliver community benefits to council stock in the Bermondsey Spa area was taken in 2000 with the understanding that these benefits would not be delivered for at least 10 years and the council should therefore not renege on the commitment given at that time.

Community impact statement

21. The Neckinger and Vauban Estates are located within the Grange Ward. The resident population of this ward as measured in the 2001 census was 11,985 of which 50.03% were male and 49.84% were female. The main ethnic group in the area is white at 68.04%.

22. The council has a duty to consider the equality impact on residents when making its decisions. As the funding for these works will be made available from the Housing Investment Programme and it is confirmed in paragraph 25 that there are sufficient resources to complete these works, it is not envisaged that other residents within the borough will be discriminated against or impacted significantly by the completion of these works.
23. 463 households on the two estates will be positively affected by the proposals being implemented, although occupants of the wider area will also benefit from the visual improvements to the area.
24. The works will also contribute to the completion of the regeneration of the wider area to which the community has played a significant part since the initial consultation phase was initiated in 1999.

Investment implications (inv/ii2636/22Nov2012/rjb)

25. The Housing Investment Programme (HIP) has benefited from capital receipts arising through the Bermondsey Spa regeneration programme to a total of approximately £20.3m. Part of this figure was identified to fund works to various blocks in the immediate area, the costs of which total £10.2 million as referred to in paragraph 9, and the balance was used as a resource for other HIP capital expenditure. There are sufficient unallocated HIP resources over and above the approved expenditure within the 5-year programme to carry out the proposed environmental works to a value of £1 million.

Consultation

26. Extensive consultation about the Bermondsey Spa Masterplan proposals began in late 1999 with members, tenants and residents and other stakeholders. Consultation continued throughout the period via an established working group, consisting of local residents and other stakeholders as agreed by members.
27. Further consultation with residents on both estates will be undertaken by the major works team to develop the proposals, prior to works being carried out on site.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Legal Services

28. The report recommends a variation of the housing investment strategy to enable the undertaking of environmental works to the Neckinger and Vauban Estates. The report sets out justification for the proposed variation in paragraphs 18 and 20.
29. The community impact statement in the report indicates that the proposal will not significantly impact on tenants and residents outside of the estates affected. In so far as residents on the affected estates are concerned the report confirms that consultation will be carried out with them to develop the proposals before works are carried out. The major works team will need to carry out this consultation in accordance with legal requirements that provide that consultation must be undertaken when proposals are still at a formative stage; it must include sufficient reasons for the proposals to allow interested parties the opportunity to consider the proposal and formulate a response; it must allow adequate time for

interested parties to consider proposals and formulate their response and the outcome of consultation must be conscientiously taken into account when the ultimate decision is taken.

- 30. The head of specialist housing services has set out below the particular statutory requirements relating to charges to leaseholders and other relevant potential legal implications as they relate to leasehold interests.
- 31. In accordance with constitutional provisions, the Leader may delegate this decision, which would otherwise be a chief officer decision, to the deputy leader and cabinet member for housing.

Strategic Director of Finance and Corporate Services

- 32. The strategic director of finance and corporate services notes the recommendation in this report. The investment implications confirm that there are sufficient unallocated HIP resources over and above the approved expenditure within the 5-year programme to carry out the proposed environmental works to a value of £1 million. It is understood that some elements of the work will be service chargeable to leaseholders, following appropriate notification.

Head of Specialist Housing Services

- 33. Elements of the proposed works will be service chargeable to leaseholders, and therefore statutory consultation under section 20 of the Landlord and Tenant Act 1985 (as amended) must be carried out. The statutory consultation required will depend on the procurement route for the proposed contract. Should the proposed work be competitively tendered then a two stage consultation process will be required, with notices served both pre and post tender. Should the council decide to use its partnering contractor then only one notice will be required. However, if this is the route chosen then the council will have to re-serve the notices of proposal for the qualifying long term agreement with Apollo prior to forming any package of work.
- 34. The head of specialist housing services notes the original vision to use some of the open space on the Vauban estate to provide private gardens to the ground floor flats. If this vision is included in the proposed contract then, where the ground floor flats in question have been sold, the council will not be able to pass the land gratis to the leaseholders. The land in question will have to be valued and sold to the leaseholders (subject to their agreement), or omitted from the scheme. A package can be put together to assist and encourage leaseholders to purchase the land however there will be legal costs of at least £1,000 in each case as leaseholders will have to surrender their existing lease and enter in to a new lease of the flat and the garden. In respect of those leaseholders that do not wish to purchase the land, there is a risk they will fence off the area outside their properties for their own use and this may result in future adverse possession claims.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

APPENDICES

No.	Title
None	

AUDIT TRAIL

Lead Officer	Eleanor Kelly, Chief Executive	
Report Author	Sonia Esnard, Acting Principal Asset Management Officer	
Version	Final	
Dated	14 March 2013	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments sought	Comments included
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	Yes
Head of Home Specialist Housing Services	Yes	Yes
Cabinet Member	Yes	No
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