

<b>Item No.</b> 14.	<b>Classification:</b> Open	<b>Date:</b> 30 October 2018	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		The Way Forward: Ledbury Estate High Rise Blocks	
<b>Ward(s) or groups affected:</b>		Old Kent Road	
<b>Cabinet Member:</b>		Councilor Stephanie Cryan, Housing Management and Modernisation	

## **FOREWORD - COUNCILLOR STEPHANIE CRYAN CABINET MEMBER FOR HOUSING MANAGEMENT AND MODERNISATION**

In June 2017, following a public meeting about fire safety, the council became aware of cracks appearing in homes in the Ledbury Estate tower blocks which have been caused by the thermal movement of the large concrete panels that make up the construction of the blocks. This widespread cracking had led to the breakdown of compartmentation of fire safety.

Concerns were also raised about the structural integrity of the tower blocks and in response to this the council instructed Arup to check both the structural integrity of the four tower blocks and the capacity of the blocks to withstand disproportionate collapse. The four tower blocks were constructed by Taylor Woodrow Anglian (TWA) and are of a similar design to Ronan Point where a gas explosion in 1968 resulted in disproportionate collapse of the building and the death of four residents. Following the checks, in August 2017, we took the decision to terminate the gas supply to the four tower blocks as it could not be confirmed that the blocks would be able to withstand a gas explosion and therefore could be at risk of disproportionate collapse.

Arup were asked to do further checks and inspections to look at whether the requisite strengthening works highlighted after the Ronan Point tragedy in 1968 had been carried out and we received the full report from Arup on 20 November which concluded that the blocks had been built without the correct strengthening measures in place.

The checks and inspections concluded that the structures of the four tower blocks are in good condition and that they meet wind loading requirements. However, in order to comply with the BRE and DCLG recommendations on the prevention of disproportionate collapse, strengthening works would be required.

A Resident Project Team, with an independent Chair, was established for the blocks and they have been working with the council on the scope of works required and the options on which residents have been consulted on in respect of the future of their homes.

The council appointed Hunters, an architectural practice, to carry out the options appraisal for the four tower blocks. Residents from the project team were involved in the appointment process and also helped to shape the options. These options then went out to consultation and have helped form the recommendations in this report.

I hope that cabinet approves the recommendations in this report and that we refurbish the four tower blocks and that we also build new homes on the Ledbury Estate which will help provide much needed new council homes on the estate.

I want to extend my thanks to the members of the Resident Project Team and the Ledbury Tenants and Residents Association for their invaluable help and commitment to the future of the tower blocks and very much hope that we continue to work together as the works progress to ensure the right outcomes for the Ledbury community.

## **RECOMMENDATIONS**

1. That cabinet note the results of the options appraisal carried out for the Ledbury Estate high rise blocks.
2. That cabinet agree that the four high rise blocks should be refurbished and that land immediately adjacent to those blocks be used to build new homes(option B in paragraph 26) in accordance with the council plan which guarantees development on council housing land have at least 50% council rented homes and ensure a right to return for council tenants and leaseholders so local people can stay in the borough they call home.
3. That cabinet notes firstly the proposal to carry out the refurbishment of Bromyard proceed using the existing partnering contract and delegated approval process with Engie and secondly the rest of the project proceed using existing frameworks or the partnering contract, the new contractor framework if in place, or a traditional procurement route, all activities to be run concurrently to ensure all homes can be provided as soon as possible.
4. Cabinet are asked to approve the decision not to charge leaseholders in the four tower blocks for their element of the cost of the refurbishment works.
5. Cabinet are asked to approve the decision not to charge residents for the costs of the temporary heating and hot water communal systems to the four tower block residents.

## **BACKGROUND INFORMATION**

6. Cabinet received reports on the response to the emergency situation on the Ledbury Estate on 19 September 2017, 12 December 2017 and 6 February 2018. The last two reports set out the then situation and the refurbishment options that were being developed with residents. The report then went on to set out the option appraisal process to develop new build options to be considered alongside the refurbishment options. Since the last report received by the cabinet which agreed the timetable for the options appraisal process, officers have been working with the Resident Project Group to identify the most favoured refurbishment option and develop new build options.
7. Further reports went to Overview and Scrutiny Committee in July 2017, September 2017 and November 2017.
8. The blocks are large panel system construction, built by Taylor Woodrow between 1968 and 1970 and are former GLC properties which transferred to Southwark Council in 1982. There are four 14 storey towers (Bromyard, Peterchurch, Skenfrith and Sarnsfield) on the Ledbury Estate
9. There are 224 properties in total, 76 one-bedroom, 72 two-bedroom and 76 three-bedroom.

10. As reported to the Overview & Scrutiny Committee on 13 July 2017 and 11 September 2017 action has been taken at the four blocks on the estate to address the issues of cracks breaching the compartmentation of the flats and the subsequent compromised fire safety.
11. To deal with the issues relating to compartmentation action has been taken to temporarily seal the cracks. In addition there are a team of 24-hour wardens in each block and a new automated fire alarm that was commissioned in December 2017.
12. In June 2017 the council commissioned Arup, a structural engineering company, to check widespread cracking to the buildings which had been caused by thermal movement of the large concrete panels. Specific concerns were the cracks breached fire compartmentation and potentially fire safety. Arup were asked to check both the structural integrity of the buildings and the capacity to withstand disproportionate collapse.
13. The Arup commission was expanded in July 2017 to take into account potential risks with gas supplies and LPG buildings. In early August 2017 the council were advised that there was no evidence of strengthening works having been done as would have been expected following advice issue back in the late 60's. A decision was therefore taken to cut off the gas supply to the four towers.
14. The previous provision of heating and hot-water was by way of individual gas boilers to each home. Due to the disconnection of the gas supply, a temporary district heating system has been installed. This means that there are three temporary large boilers sited outside the blocks. Pipework from the boilers runs internally up the blocks and is connected to an individual heat exchanger which in turn connects to the existing radiator and hot water circuit within each flat. This was completed in October 2017.
15. The temporary heating system is fueled by oil which is delivered as and when the boilers are running low. Residents are not currently being charged for the use of the oil so at this point the council is funding heating and hot water costs at a cost of approximately £23,000 a month.
16. Regardless of whether the long term solution to the Ledbury Towers is refurbishment or new build, a permanent solution to provide heating and hot-water will need to be part of the works. Therefore costs have been allowed for such as part of this report.
17. A team of officers solely dedicated to the Ledbury Estate has been based in the Ledbury Tenants and Residents Association (TRA) Hall over the last year. The team is led by Mike Tyrrell, the Director for Ledbury, and it includes staff seconded full time from resident services. The proposed works will be delivered through the asset management design and delivery team and as refurbishment and new build moves forwards they will also have dedicated officers at Ledbury. The office is open 8am to 8pm daily and is staffed 24 hours every day to deal with emergencies, night time patrols and monitoring of the fire wardens. If the Fire Alarm goes off the team at the Ledbury Hall co-ordinate the evacuation.
18. Residents who are concerned about their safety were offered the opportunity to go into Band 1 and bid for an alternative home. All tenants were registered for a

transfer and are actively being helped to match them to new homes so they can make bids by the Ledbury Team. A small number of residents are not actively considering a move to alternative accommodation as they are awaiting the outcome of the Options appraisal. They would like to remain in the blocks and be rehoused temporarily whilst their home is refurbished.

19. Of the 190 council tenanted homes, 152 are now empty homes as a sizeable number have taken the option to be re-housed. Three of the 34 leasehold properties are also empty, as the council has bought them back from the leaseholders concerned. The split between blocks is as follows:
  - Bromyard House - 47 empty
  - Peterchurch House - 43 empty
  - Sarnsfield House - 31 empty
  - Skenfrith House – 34 empty.
  
20. All residents have been promised a right to return to the refurbished homes. This right to return will be for all residents or their succeeding spouse or partner and had been agreed for a period of seven years. It is unknown how many residents will take up their right to return, but it is clear that those who wanted to be rehoused before the emergency situation arose because of overcrowding, to be nearer family or to move to a low rise home, are unlikely to want to return. Their right to return does however remain. This has been set out on a number of occasions for residents, most recently in an article in the weekly Ledbury Towers newsletter dated 31 August 2018, which is attached as Appendix 1.
  
21. A block was purchased from Hyde Housing Association very close to the Ledbury Estate at Sylvan Grove, with 80 properties from 1 to 3 bedrooms which have become council properties at council rent. The whole block was prioritised for Ledbury Tower residents. 56 tenants have taken up the opportunity to move to Sylvan Grove. A leaseholder from the Ledbury Estate is also in negotiations to move to Sylvan Grove. In addition, a further block of 79 units was at Churchyard Row, which is close to the Elephant & Castle. This is also a mixture of 1-3 bedroom properties, and was prioritised for residents of the Ledbury Towers. 6 tenants have taken up the opportunity to move to Churchyard Row.
  
22. 6 further leaseholders have shown an interest in Southwark purchasing their properties through the offer for leaseholders in this position that was developed. These acquisitions are being funded from a separate acquisition capital budget, and will also help towards the council achieving its target of delivering 2,500 new homes. It should be noted that it has been agreed in principle that leaseholders will not be asked to contribute towards any of the costs of the refurbishment option. This will include internal works carried out to their properties at no cost, as it is not possible to do any structural works whilst keeping existing kitchens and bathrooms. This was stated at a public meeting on 23 November 2017 by Councilor Cryan and confirmed in her letter to residents on 23 March 2018. The estimated loss to the council is detailed in the table below:

<b>Bed Size</b>	<b>Estimated unit cost (based on bed weighting used for S20 calculations)</b>
1 Bed property	£121,280
2 Bed property	£145,536
3 Bed property	£169,792

Block Name	No of LH units with bed sizes	Cost
Skenfrith House	8 x 3 bed / 2 x 1 bed	£1,600,896
Bromyard House	1 x 3 bed / 3 x 2 bed / 1 x 1 bed	£727,680
Peterchurch House	4 x 3 bed / 1 x 1 bed	£800,448
Sarnsfield House	1 x 3 bed / 9 x 2 bed / 1 x 1 bed	£1,600,896
<b>Total</b>		<b>£4,729,920</b>

23. Calfordseaden were appointed through an existing consultancy framework to undertake an assessment of refurbishment options which are available for refurbishment of the high rise blocks. In consultation with the Ledbury Residents Project Group (RPG) four final options were developed. The refurbishment options were all based on structural advice from Arups, that the blocks will be structurally safe. All recommendations included in the Arups report have been included in the refurbishment options. It should be noted that all of the refurbishment options considered require residents to be decanted. All costs are works cost only and do not include for fees, decant costs, etc. The costs are also based on current rates and do not allow for future uplifts which may vary according to the procurement route selected.

- **Refurbishment Option 1**

A basic option to deal with the strengthening and “gaps and cracks”, but because of the nature of these works, it will mean every bathroom, kitchen, and WC will be renewed. This option is estimated at £20.7m.

- **Refurbishment Option 2**

This option had the additional works to deal with the water problems that the blocks have been suffering from. This entails the renewal of all pipework and tanks, as well as sealing the WC and bathrooms, as well as installing a sprinkler system. This option is estimated at £26.3m.

- **Refurbishment Option 3**

This option had the addition of the renewal of the existing lifts, windows, roofs, insulation, water pumps and lighting. This option is estimated at £32.6m.

- **Refurbishment Option 4**

This option had the addition of improved refuse disposal, environmental improvements, landscaping, estate lighting. This option is estimated at £35.9m.

24. Residents were consulted through a questionnaire on these four refurbishment options and the majority selected Option 3, slightly ahead of Option 2, on a 30.2% turn out, with a 51.41% turn out for existing residents at the time of the survey. Existing residents voted for Option 2 ahead of Option 3. (Details attached as Appendix 2).

25. An architectural practice, Hunters, were appointed following a procurement exercise to carry out Stage 1 option appraisal for the high rise blocks in March 2018. The brief to Hunters was for them to provide LBS with a range of options in relation to the towers for consideration. All options would ensure that the investment would create homes that meet the standards of being warm, safe and dry. Following this appraisal LBS would review the financial implications of each accordingly. Resident representatives were included in the consultant selection

process. It should be noted that only the high rise blocks and surrounding area are included, not the low rise blocks on the estate or the tenants' hall. The brief was also very specific in that the council is committed to providing at least the same number of council homes, within any new build option and to at least the same size standards as existing. An initial questionnaire carried out to guide the consultation indicated 75% of residents who replied wished to retain the blocks with 12.25% stating maybe. (Details attached as Appendix 3 )

26. As part of the options appraisal process, four final options were developed in further consultation with the Ledbury RPG, to be consulted on with residents which included the favoured refurbishment options alongside demolition/new build options. The Ledbury RPG asked for these options to be lettered rather than numbered so that residents were not confused with the options in the previous consultation on their favoured refurbishment options.

- **Option A**  
Refurbishment of the existing blocks (with option 2 of the original refurbishment proposals).
- **Option B**  
Refurbishment of the existing blocks with some infill development on adjacent vacant and underused housing owned land surrounding the blocks, (with option 3 of the original refurbishment proposals).
- **Option C**  
Demolition of one, two or three of the high rise blocks and some new build.
- **Option D**  
Demolition of all of the high rise blocks and complete new build.

27. There were a number of different options for both the partial demolition and the new build options ('C' and 'D') and it was agreed with the Ledbury RPG that these would only be considered in detail if it was agreed to proceed with any of the demolition and new build options. This was made clear in consultation with all residents on the estate and neighbours affected potentially by the proposals. This consultation exercise was held in August and September 2018 and included two exhibitions and a public meeting at the Ledbury TRA Hall as well as a further door knocking exercise by independent advisors, Open Communities.

28. The design basis of the options was to allow residents the opportunity to look at and comment on a complete range of options from the simplest refurbishment option through to complete demolition and new build. The fundamentals of the new build options were to have increased numbers of properties on the site, to allow extra properties for both council rent and to sell to help fund the scheme, and there is of course some risk dependent on the future housing market, but also to look at different design options from creating new streetscapes and squares with properties at different heights, through to completely new tower blocks. These can be seen in Appendix 4.

29. This further consultation was held with current and decanted residents in the blocks and the majority selected option B. These can be seen in Appendix 5 - . At the time of this consultation there were 217 residents, non resident leaseholders, or residents who had a right to return. Residents had originally been given over two weeks to return the forms, and to increase the percentage

of returns, residents and former residents were rung to advise that the deadline was extended if they wanted to submit a questionnaire and a further exercise of home visits was also carried out by the independent advisor. The results can be summarized as follows, but it is clear that the majority of residents have no interest in a demolition option of any sort, as 55 first preferences were for the two refurbishment options and 44 first preferences for the two options that included demolition.

The turnout was:

- 27 Tenants out of 34 - A turnout of 79%
- 12 Resident leaseholders out of 16 - A turnout of 75%
- 3 Non-resident leaseholders out of 16 - A turnout of 19%
- 65 Former tenants with a right to return out of 151 - A turnout of 43%

As there were a range of options for residents to consider, counting the preferences on a first past the post system was inappropriate. Instead participants were asked to rank their preferences 1 to 4 and these preferences were weighted so that:

- 1st preference was given 4 marks
- 2nd preference was given 3 marks
- 3rd preference was given 2 marks
- 4th preference was given 1 mark

The weighted results were:

- Option A – Refurbishment - 253 marks
- Option B – Enhanced Refurbishment & Infill - 302 marks
- Option C – Partial Refurbishment with Partial Demolition & New Build - 250.5 marks
- Option D – Demolition & New Build - 264.5 marks

30. Other surrounding stakeholders such as residents in low rise properties, neighbouring properties in Commercial Way and Ledbury Street, shops, Livesey Exchange, a school and church were also consulted and a summary of their comments is attached as Appendix 6.
31. The council has carried out an appraisal process (Summary – Appendix 7) and this examined all four options, including two variations each for the partial and complete demolition of the four tower blocks. This evaluates the best long term option for the area of the four tower blocks examining estimated initial costs, maintenance; rent income, income from possible sales etc. It is clear from the appraisal process that Option B is the best option, with refurbishment and new build on infill sites around the four tower blocks.

## **KEY ISSUES FOR CONSIDERATION**

32. Residents in the high rise blocks, including residents who have been decanted and non resident leaseholders were consulted on all the proposals, but it has always been made clear the final decision rests with cabinet, who would of course take consideration of resident views.
33. In reviewing the options the council has considered the following:

- Information received from the residents surveys
  - Safety matters as illustrated by Arups (and a 50yr building life)
  - Build options from Hunters
  - Building works costs review by LBS
  - Contribution from sales.
34. In reviewing the outputs from each of these elements it is was also considered that should Option B be selected this would create greater value for money if progressed at the fuller level as it would reduce future scaffolding costs for the replacement of components such as windows and roofs rather than within a later, separate contract. These elements are estimated to only have a remaining life span of only up to five years and thus replacing them as part of these works will be far more cost effective. Carrying out the new build at the same time as refurbishment will also reduce the length of disturbance to all residents living nearby, reduce the contract period (and thus costs) and will also aid towards the target that the council has of building 2500 new homes. Therefore it is recommended that refurbishment of the existing blocks with some infill development (with option 3 of the original refurbishment proposals) be agreed.
35. There was a discussion on whether the new build element for the in fill sites could be delayed to allow for consultation on the inclusion of the area where the TRA Hall sits for new homes. This is because some residents have suggested that a further development could take place to allow for more homes on the site of the existing TRA Hall, as the existing one is outdated and could be re-provided at the same time. This however was rejected, as it was felt that it was better to proceed now on the new build proposals in Option B, as this would help towards delivering the borough-wide target of 2,500 new homes. It is recommended that this be reviewed with residents when the next round of major works is due on the estate, currently not until at least 2023 as this will also enable residents to discuss any proposals and ideas they may have for the remainder of the estate.
36. In order to commence works and to create much needed homes as soon as possible we have considered utilizing the existing partnering contract with Engie. They already have experience of working on the estate as it is their usual contract area, they carried out the immediate repair and heating works, and cost certainty will be obtained from pre agreed terms under the existing contract.
37. Initial pilot works will be carried out to guarantee structural, strengthening and the fire safety of the proposed refurbishment works and this will be confirmed with Arups, before the full scheme progresses. At the request of the Resident Project Group, members of the group will be able to see these works at key stages before the full works progress.
38. The proposal to use Engie would enable the first block to be completed safely and quickly and as such the remaining residents in the other three blocks could be temporarily or permanently moved here. In completing the decant of the remaining three blocks this would enable the current arrangements of a 24 hour housing office and fire warden service to end. The design element of this would be through the existing consultancy framework with Calfordseaden rather than contractor led such that LBS have greater control of the quality and design of the scheme. Members are asked to note the decision using the usual delegated approval approach for partnering schemes, to appoint Engie for the first block,

(whilst procurement for the remainder of the scheme runs independently and concurrently) to the Strategic Director of Housing and Modernisation. The Resident Project Group do have concerns about some of the work carried out by Engie's predecessor company on the Estate in the past, especially in regard to poor communication. Officers have made it clear to the Resident Project Group that the project will have a full-time clerk of works based on the estate with the Ledbury Team for easy access for residents. The clerk of works will also be in attendance at all meetings of the Resident Project Group. Engie will attend the Resident Project Group during the works so that they will be accountable to residents as well as the council.

39. It is proposed that the second phase of refurbishment to the three blocks including infill development should proceed through Calfordseaden through the existing framework contract. This will enable the design stage this to start once the preferred option is agreed by cabinet without the need for further lengthy procurement. Consideration will be given as to the best route to deliver the works as there are options to proceed through existing partnering or framework contracts, use a new contractor framework if in place or procurement through OJEU.

### **Policy implications**

40. The recommendations proposals confirm Southwark's commitment which guarantees development on council housing land have at least 50% council rented homes. For the new council rented properties the usual local lettings policy will apply whereby at least 50% of the properties will be offered to residents on the estate, subject to their housing need. The sales of any properties will create a social profit for residents which will be used for refurbishment and ensure that good quality homes are retained. The estimated income, subject to designs being fully worked through, is circa £18m. These would represent likely sales income however there is a degree of risk around the fluctuation of such sales prices and a degree of flexibility is warranted here in terms of timing of sales and unit mix.
41. The recommendations confirm the council's commitment that at least as many council homes will remain on any option recommended for the four tower blocks on Ledbury.

### **Community impact statement**

42. All works options will create significant opportunities for apprenticeships and jobs for local people. Any contractor and sub contractor selected for the works will have to ensure all workers are paid at least London Living Wage (LLW) and they will have to as a minimum provide a one year apprenticeship opportunity or equivalent for each £1m contract spend. Contracts will also be required to operate only with the safest haulage companies, which conform to the London Cycling Campaign's Safer Lorries conditions.
43. Our council's vision is to create a fairer future for all in Southwark and procurement of works and services will give an opportunity to deliver value for money and high quality services. Any contractor selected for the works will be expected to sign up to the councils Fairer Future Procurement Strategy (Appendix 8)
44. The refurbishment and redevelopment of the Ledbury Estate High Rise Blocks

will have an overall positive impact on the local community and will have beneficial impacts for those with Protected Characteristics in the local area including:

- Providing new (much needed) residential units for social rent and private sale, in a borough which has a substantial housing need. While income is not a Protected Characteristic, it is often a characteristic that is shared by multiple groups with Protected Characteristics, and so the opportunity that the development provides to secure new, high quality, social rented homes to existing residents is of benefit. Most notably, BAME groups and older people often live in low-income households.
- The quality of the new and refurbished homes provided will have a range of positive impacts on equality; including disabled accessibility and adaptability of the new homes.
- The new homes will also be better insulated, supporting a higher standard of living.
- The provision of new homes will help to ease problems of overcrowding in the local area which can cause particular issues for those who are pregnant or have young children and who are likely to come from BAME groups where larger family sizes are more common.
- The newly developed homes will also be more sustainable and energy efficient. The benefit of this will be a potential reduction in the level of residents' energy bills.
- The commitment to right to return for all residents gives the opportunity for the community to stay together if they so wish.

### **Resource implications**

45. The cost of refurbishment is estimated at £32.5m and will be financed from available capital resources, which may include borrowing. The proposed new build homes will incur additional capital expenditure, and this will be financed from a combination of Right To Buy receipts and or GLA grant together with S106 commuted sums and where necessary, borrowing. The receipts generated from private sales will be used to finance future capital spend.
46. As at 19 September 2019 a total of £4,217,671 has been spent on the Ledbury Towers. This includes emergency works, security, running costs such as oil and boiler hire for the temporary district heating system, management and running of the Ledbury Team based in the TRA Hall, 24 hour fire warden service, moving costs, compensation and associated costs to residents and general ad-hoc costs.
47. Running costs for the management for the Ledbury Team which is operational 24 hours a day and based on the estate are estimated at £35,000 per week and the temporary district heating system and which is being provided free of charge to residents is estimated to cost £23,000 a month. We expect the heating costs to decrease as more residents take up the option to move and the fuel consumption reduces.
48. As stated in paragraph 22 of this report leaseholders will not be charged for

refurbishment works included in all options. The estimated loss due to this is approximately £4.7m.

## **Consultation**

49. A dedicated webpage [www.southwark.gov.uk/ledburytowers](http://www.southwark.gov.uk/ledburytowers) has been set up where all information has been posted, including all letters to residents and the weekly newsletters that commenced in September 2017. Copies of Fire Risk Assessments are available on this website. Ward councilors are also receiving weekly updates.
50. There has been extensive consultation provided to residents in the high rise blocks. Residents on the rest of the estate have been receiving a monthly newsletter and along with the surrounding and affected neighbours, they have been consulted on the final options.
51. The council has commissioned an independent residents advisor for the residents, Open Communities, who have acted as independent and expert support for residents since the start of the decanting and options appraisal process.
52. A Ledbury Resident's Project Group has been set up comprising a mixture of residents and former residents of the Towers, and residents from the low-rise blocks on the Estate meets monthly, to allow detailed input in to the design and consultation processes, including input in to the selection process of Hunters to carry out the options appraisal. The residents' project group includes residents active in the Ledbury Tenants and Residents Association (TRA) and the Ledbury Action Group.
53. Individual residents wishing to exercise the right to return will be consulted on with regards to reinstatement works to their homes including options for kitchen designs.
54. A range of exhibitions, meetings, and drop-ins have been held, regular newsletters circulated and questionnaires issued, with wording agreed in conjunction with the independent residents advisor, Lead cabinet member for Housing Management and Modernisation and the RPG, to keep residents informed and seek their views.
55. Residents' consultation will continue along these lines as the works progress, and this would include residents in the low rise blocks.
56. All surrounding residents to the four tower blocks will be consulted in addition through the normal planning consultation processes and through representation on the Residents Project Group.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Director of Law and Democracy**

57. This report asks the cabinet to note the results of the option appraisal carried out for the Ledbury Estate, to agree the refurbishment option for the estate (as further detailed in paragraph 2) and to note that the refurbishment is proposed to be undertaken by our partnering contractor for this area, with approval being undertaken under usual delegated authority. There are no specific legal

implications arising from these recommendations, however in agreeing them the cabinet should have regard to the council's obligations to carry out its duties in accordance with the principles of best value. This report details the option appraisals undertaken, the council's review of those options, and reasons for recommending the proposed refurbishment which the cabinet should consider.

58. The cabinet's attention is drawn to the Public Sector Equality duty (PSED General Duty) under the Equality Act 2010, and when making decisions to have regard to the need to (a) eliminate discrimination, harassment, victimisation or other prohibited conduct, (b) to advance equality of opportunity and (c) foster good relations between persons who share a relevant protected characteristic and those who do not share it. The relevant characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion, religion or belief, sex and sexual orientation. The duty also applies to marriage and civil partnership but only in relation to (a). The cabinet is specifically referred to the community impact statement at paragraphs 42-44, setting out the consideration that has been given to equalities issues, which should be considered when approving the recommendations in this report.
59. The report refers to consultation that has taken place and summaries on the consultation responses are appended. Members must conscientiously take consultation responses in account when taking a decision on the recommendations.
60. Legal officers from law and democracy will assist the asset management team as the project progresses, and particularly in respect of any procurement to be undertaken.

### **Strategic Director of Finance and Governance**

61. This report is requesting cabinet approval to proceed with the refurbishment of the four high rise blocks on the Ledbury Estate following an options appraisal exercise, together with some infill development of new build properties on adjacent and underused surrounding land.
62. At this stage costs are indicative only with the preferred refurbishment option estimated at £32.6m. Additional costs will be incurred in the development of new build properties, which will generate capital receipts through the sale of private units, which is critical to the overall viability of this project and the wider Housing Investment Programme going forward. Accommodating the refurbishment in the Housing Investment Programme will require reprofiling of the existing programme to ensure overall spend remains affordable and sustainable and within existing borrowing constraints. Where appropriate and available, expenditure on new build properties will be funded through Right To Buy receipts, grant, S106 commuted sums and borrowing. Any capital receipts generated through private sales will be used to support future capital spend.
63. In considering the decision not to charge leaseholders for their share of the cost of the refurbishment works and not to charge residents for the cost of the temporary heating and hot water, cabinet should be aware of the estimated loss of income to the HRA as set out in the financial implications section of this report.

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Cabinet reports Appointment of Keepmoat for emergency works at Ledbury Estate. 19 September 2017.	Constitutional Team 160 Tooley Street London SE1 2QH	Everton Roberts 020 7525 7221
<b>Link (copy and paste into your browser):</b> <a href="http://moderngov.southwark.gov.uk/documents/s70944/Report%20Appointment%20of%20Keepmoat%20for%20Emergency%20Works%20at%20Ledbury%20Estate.pdf">http://moderngov.southwark.gov.uk/documents/s70944/Report%20Appointment%20of%20Keepmoat%20for%20Emergency%20Works%20at%20Ledbury%20Estate.pdf</a>		
Ledbury Estate – Arup structural survey report. 12 December 2017	Constitutional Team 160 Tooley Street London SE1 2QH	Everton Roberts 020 7525 7221
<b>Link (copy and paste into your browser):</b> <a href="http://moderngov.southwark.gov.uk/documents/s72762/Report%20Ledbury%20Estate%20Arup%20structural%20survey%20report.pdf">http://moderngov.southwark.gov.uk/documents/s72762/Report%20Ledbury%20Estate%20Arup%20structural%20survey%20report.pdf</a>		
Ledbury Estate – next steps update 6 February 2018	Constitutional Team 160 Tooley Street London SE1 2QH	Everton Roberts 020 7525 7221
<b>Link (copy and paste into your browser):</b> <a href="http://moderngov.southwark.gov.uk/documents/s73737/Report%20Ledbury%20Estate%20-%20Next%20Steps%20Update.pdf">http://moderngov.southwark.gov.uk/documents/s73737/Report%20Ledbury%20Estate%20-%20Next%20Steps%20Update.pdf</a>		
Overview and Scrutiny reports – Ledbury Estate update. 15 November 2017.	Overview and Scrutiny Team 160 Tooley Street London SE1 2QH	Shelley Burke 020 7525 7344
<b>Link (copy and paste into your browser):</b> <a href="http://moderngov.southwark.gov.uk/documents/s72062/Item%206_Ledbury%20Estate%20update.pdf">http://moderngov.southwark.gov.uk/documents/s72062/Item%206_Ledbury%20Estate%20update.pdf</a>		
Ledbury Estate – Management Responses to recommendations of the Independent Review of the Ledbury. 23 July 2018	Overview and Scrutiny Team 160 Tooley Street London SE1 2QH	Shelley Burke 020 7525 7344
<b>Link (copy and paste into your browser):</b> <a href="http://moderngov.southwark.gov.uk/documents/s76623/Item4_Ledbury%20Scrutiny%20on%20RSM%20management%20response%203.pdf">http://moderngov.southwark.gov.uk/documents/s76623/Item4_Ledbury%20Scrutiny%20on%20RSM%20management%20response%203.pdf</a>		

## APPENDICES

No.	Title
Appendices circulated separately	
Appendix 1	Ledbury weekly newsletter 24 August 2018
Appendix 2	Summary of residents view on refurbishment options
Appendix 3	Summary of residents view of general approaches to works
Appendix 4	Questionnaire on detailed refurbishment, demolition and new build options
Appendix 5	Summary of residents views on questionnaire on refurbishment, demolition and new build options
Appendix 6	Summary of surrounding stakeholders comments to refurbishment, demolition and new build options.
Appendix 7	Summary of Appraisal of options
Appendix 8	Fairer Future Procurement Strategy

## AUDIT TRAIL

<b>Cabinet Member</b>	Councillor Stephanie Cryan, Housing Management and Modernisation	
<b>Lead Officer</b>	Stuart Davis, Director of Asset Management	
<b>Report Author</b>	Ferenc Morath, Head of Investment	
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<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments Included</b>
Director of Law and Democracy	Yes	Yes
Strategic Director of Finance and Governance	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>	19 October 2018	