

| | | | |
|------------------------------------|--------------------------------|---|---------------------------------|
| Item No. 24. | Classification: Open | Date: 17 December 2019 | Meeting Name: Cabinet |
| Report title: | | Ledbury Towers Arup Structural Survey Report | |
| Ward(s) or groups affected: | | Old Kent Road | |
| Cabinet Member: | | Councillor Kieron Williams, Cabinet Member for Housing Management and Modernisation | |

FOREWORD - COUNCILLOR KIERON WILLIAMS CABINET MEMBER FOR HOUSING MANAGEMENT AND MODERNISATION

The council is committed to working with current and former Ledbury residents to secure the future of their estate. We want residents to have all the information they need to make an informed choice about the best option for their estate.

This report provides responses to key questions residents have asked. It confirms the process for the ballot that will allow residents to decide the future of their estate. It also confirms our commitment that residents with a right to return to a home on the estate will retain that right no matter which option is now chosen or how long it takes to complete.

The following pages also provide an update for Cabinet on other important information that has already been shared with residents to help them make this decision, including the estimated cost of refurbishing the towers and the written answers that have been provided in response to the questions they asked at our last Cabinet meeting.

We will continue to work with residents to provide them with the support, information and advice they need to make this important decision about their estate.

RECOMMENDATIONS

1. That Cabinet notes the latest position with the Ledbury tower blocks, and that although this report refers to the option of replacing them with new council homes, the position of the council remains to refurbish the four towers unless residents vote otherwise.
2. That Cabinet notes that the report on the revised costs of the refurbishment option has been received.
3. That Cabinet agrees that dispensation be sought from the GLA to allow all residents who took part in the vote on the options for the future of the Ledbury estate in 2018 to vote in any future ballot that may follow from the reappraisal of options that is currently underway.
4. That the Cabinet notes the concerns of the Resident Project Group on rent levels for returning tenants in a new build option. The Cabinet therefore agrees that before future rents, service charges and any other council charges are agreed these will be considered by Cabinet in order to respond to these concerns.
5. That Cabinet agrees that the existing right to return is extended until all the refurbished or new council homes on the site of the Ledbury tower blocks are let.

6. That Cabinet notes that as agreed at their meeting on 29 October 2019, a response to the issues raised by the Ledbury Resident Project Group in their deputation has been circulated to all residents and former residents with a right to return through the Ledbury weekly newsletter.

BACKGROUND INFORMATION

7. The Cabinet received reports on the response to the emergency situation on the Ledbury Estate on 19 September 2017, 12 December 2017, 6 February 2018, 16 July 2019 and 29 October 2019.
8. The four tower blocks are large panel system construction, built by Taylor Woodrow between 1968 and 1970 and are former Greater London Council properties which transferred to Southwark Council in 1982. There are four 14 storey towers (Bromyard, Peterchurch, Skenfrith and Sarnsfield) comprising of 56 homes each on the Ledbury Estate. There are 224 properties in total.
9. In October 2018 the Cabinet agreed that the four high rise blocks should be refurbished and that land immediately adjacent to those blocks be used to build new homes subject to further investigations into the strengthening solutions.
10. On 29 October 2019, Cabinet received a report on the outcome of the intrusive structural investigations undertaken by structural engineers, Arup. The report recommended much more extensive works than their previous report. Therefore Cabinet agreed:
 - That the latest position with the Ledbury Towers be noted.
 - That it be noted that as agreed at their meeting on 16 July 2019 the final report due from Arup on the investigations was published upon receipt.
 - That the options appraisal process on the future of the Ledbury Towers be reopened and a further report be received setting out the outcome of the resident consultation on the options appraisal process, based on the same red lines used for previous options appraisal.
 - That it be noted that in any option there will be no loss of housing.
 - That a report comes to cabinet at the earliest opportunity responding to the points raised by the deputation.
11. Of the original 190 council tenanted homes, 165 are now empty homes as 163 tenant households have taken the option to be re-housed, and 2 properties were vacant at the time. 13 of the original 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 – All the properties are now vacant
 - Peterchurch House – 8 properties remain occupied as we have 48 voids
 - Sarnsfield House – 19 properties remain occupied as we have 37 voids. Three of the properties are occupied by residents temporarily moved from Bromyard House

- Skenfrith House – 19 properties remain occupied as we have 37 voids. Three of the properties are occupied by residents temporarily moved from Bromyard House

KEY ISSUES FOR CONSIDERATION

12. The options appraisal process has been reopened on the Ledbury Estate to allow for the options developed by residents in 2018 to be revisited following the additional recommendations that Arup have made to strengthen the blocks in their report dated 24 October 2019. The additional recommendations included:
 - A new frame for the block from the eighth to thirteenth floor, held together by a new structure on the roof. The frame will be made up of steel columns and beams built inside the flats, and this would mean that rooms would be smaller when residents return to their homes after the refurbishment works are completed.
 - The floors of each flat to be strengthened, which will reduce the ceiling height in each property.
 - A new foundation is cast over the existing foundation to the block.
 - The external panels have their outer leaves replaced with a lighter version and at the same time replacing the polystyrene insulation with a different form of insulation.
 - The non-loading bearing partitions (for example the walls between the kitchens and living rooms) needing to be replaced with lighter partitions.
 - The stair and lift tower needing to be demolished and replaced.
13. At the Ledbury Resident Project Group meeting on 2 December 2019 residents received from Calford Seadon the cost of the additional works to the towers. A copy of their report is attached as appendix one. In summary the estimated cost of the works to refurbish the towers to the level identified by residents in the previous options appraisal is £89.7m, compared to the £32m in the previous options appraisal. The works will take a predicted eight years to complete, with Bromyard House being completed first to allow for the permanent or temporary rehousing of those in the other remaining three blocks, which when empty will be completed simultaneously. However, until the council has undertaken a full tender process this estimate is only an indication of the likely cost. The risks and technical requirements of this process have yet to be tested in a tender environment.
14. The other options considered in the last options appraisal are now also being re-costed and they will be considered by the Ledbury Resident Project Group at their meeting in January 2020.
15. The re-opening on the Options appraisal process has resulted in residents asking a number of questions if a new build option were to be chosen. This report seeks to respond to these questions from residents and does not imply that the new build option is favoured.
16. The Ledbury Resident Project Group is key to the review of the options appraisal process. They will be reviewing the options before they are considered once again

by the Ledbury Tower residents and former Ledbury Tower residents with the right to return.

17. As a reminder the options considered by residents in 2018 were:

- Option A - Refurbishment of the existing blocks
- Option B - Enhanced refurbishment of the existing blocks with some infill development to pay for the enhanced work
- 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.

Residents chose Option B.

18. If the Ledbury Resident Project Group are happy to proceed on consulting with residents on the options previously agreed, the estimated timetable would be:

- February 2020 – Drop In Events for all Residents on the options
- March 2020 – Residents' Ballot on the Options

Then if a refurbishment with infill option is pursued, the estimated timetable would be:

- Autumn 2021 – Commencement of refurbishment works to Bromyard House
- 2025 – Completion of refurbishment works to Bromyard House
- 2025 – Commencement of refurbishment works to Peterchurch, Skenfrith and Sarnsfield House
- 2029 – Completion of refurbishment works to Peterchurch, Skenfrith and Sarnsfield House
- Infill elements
- Phase 1 (Bromyard) - Commence 2022; Completion 2023
- Phase 2 - Commence 2026; Completion 2029

19. If residents choose a new build option, then an estimated timetable could be:
(To note construction time will vary dependent on final design)

- Late 2021 – Commencement of new build works to the site of Bromyard House
- 2024 – Completion of new build works to the site of Bromyard House
- 2024 – Commencement of new build works to the site of Peterchurch House, Sarnsfield House and Skenfrith House

- 2029 – Completion of new build works to the site of Peterchurch House, Sarnsfield House and Skenfrith House
20. At their meeting on 28 October 2019, the Ledbury Resident Project Group raised a number of issues in their deputation as follows:
- How the extra works will impact on refurbishment options. There was widespread support for refurbishment from existing residents and former tenants with the right to return.
 - The works proposed will mean a reduction in size of the homes on higher floors, and steel beams inside the existing walls.
 - How the impact of changing the internal room sizes fits in with leases granted to leaseholders.
 - How long it will take to come to a decision based on this new information.
 - That the reopening of the option appraisal will only include the Towers, and the red line boundary will be unchanged from the one used in 2018.
 - A commitment that there will be at least as many council homes at the end of this process on the site of Ledbury Towers and the rented homes will be council homes for council rent.
 - Likely costs for tenants and the rent and service charge levels in new homes with new homes offered to right to return tenants at the same rent and service charge as their Ledbury Towers homes.
 - Right to stay on the estate for both tenants and leaseholders, and an idea of council tax levels in new homes.
 - The offer to leaseholders taking into account the likely loss of amenity recommended in the Arup Report
21. A response has been circulated to all residents and former residents with the Right to Return in the weekly Ledbury Estate newsletter dated 8 November 2019 which is appended as Appendix Two.

Rents

22. The issue raised on rents of new homes if a new build option is chosen has been discussed by the Ledbury Resident Project Group. The Ledbury Resident Project Group is concerned that rents on new homes would be higher than those they currently pay in the Towers.
23. There are currently 25 tenants remaining in the towers and a further 163 tenants who have moved from the Towers have the right to return. It is unknown how many of these residents will wish to return.
24. The rental difference excluding service charges between the existing homes at Ledbury Towers and the council's nearby new build homes at Blossom Court on

Sumner Road is on average £30.46 per week per home as follows:

- 1 bed Flat - £84.65 at Ledbury and £111.48 at Blossom Court
- 2 Bed Flat - £97.69 at Ledbury and £121.74 at Blossom Court
- 3 Bed Flat - £105.63 at Ledbury and £146.13 at Blossom Court

25. If the existing 25 tenants and an additional 25 tenants were to take up their option to return, this would result in a reduced income to the Housing Revenue Account per annum of £79,196. This would taper off as properties are re-let in future years.
26. At the time of writing this report the cost of service charges including heating cost is unknown if a new build option is chosen, because the design of any new homes is yet to be decided. Heating costs in new homes are expected to be much less than they are in older properties because of increased insulation and more efficient boilers. An increase in rents may be offset by a decrease in service charges. Therefore Officers will continue to work with the Ledbury Resident Project Group on the options appraisal process and ensure that the estimated costs to tenants of each option is clear. If there is a significant impact for tenants, this would then be brought back to Cabinet.

Ballot

27. The initial options appraisal consultation for the Ledbury Towers was undertaken through a questionnaire issued to all households in the towers and to all those tenants who had moved but had the right to return. Participants were asked to rank their preferences and could respond through a variety of methods using the independent tenants & leaseholder advisers Open Communities. Each household whether tenanted or leasehold had one vote.
28. It is proposed to use the same electorate on the reopened options appraisals process using Open Communities who are the independent tenants & leaseholder advisers on the estate.
29. This proposal is unique to the Ledbury Estate as residents have already been consulted on a scheme. Therefore by using the same electorate, Southwark council will be adhering to the commitments previously undertaken, that tenants who have the right to return to the Ledbury Towers will be consulted on their future.
30. From 18 July 2018, the Mayor of London requires any landlord seeking GLA funding for estate regeneration projects which involve the demolition of social homes to show that residents have supported their proposals through a ballot. This is to make sure that GLA funding only supports estate regeneration projects if residents have had a clear say in plans and support them going ahead.
31. The GLA requirement for a ballot applies where social homes (including leaseholders and freeholders), are to be demolished and the replacement properties exceed 150 homes.
32. The GLA have clearly set out who can vote in the ballot that they require social landlords to undertake, if the proposal involves the demolition of homes. The electorate for such a ballot will be:

- Social tenants (including those with secure, assured, flexible or introductory tenancies named as a tenant on a tenancy agreement dated on or before the date the Landlord Offer is published.
- Resident leaseholders or freeholders who have been living in their properties as their only or principal home for at least one year prior to the date the Landlord Offer is published and are named on the lease or freehold title for their property.
- Any resident whose principal home is on the estate and who has been on the local authority's housing register for at least one year prior to the date the Landlord Offer is published, irrespective of their current tenure.

For the avoidance of doubt, the following residents are not eligible to vote in a ballot:

- Non-resident leaseholders and freeholders.
 - Resident leaseholders and freeholders who have been living in their properties for less than a year prior to the date the Landlord Offer is published, unless they have been on the local authority housing register for at least one year prior to the date the Landlord Offer is published in which case they would be eligible
33. If the outcome of the options appraisal is that a refurbishment option is not viable, the GLA's requirement to hold a ballot would not be applicable because Southwark Council would be able to apply for an exemption. If an exemption was to be applied for, the Council would still be expected to abide by the GLA's principles on good practice in estate regeneration. By using the same method in consulting residents in the original options appraisal process as set out in paragraph 26, the council will be abiding by these principals.

Right to Return

34. The current arrangements for the residents and former residents of the Ledbury tower blocks who have the right to return extends until November 2024, based on the previous assumption that the strengthening works to the towers would have been completed by that date.
35. The Ledbury Resident Project Group have asked that the right to return be extended to protect all former Ledbury towers tenants, as revisiting the options appraisal process could result in a new build option being agreed. which could take the completion date of new homes past November 2024,
36. This report is recommending that that the current right to return date of November 2024 be extended until all the refurbished or new homes on the site of the Ledbury towers are let.

Community impact statement

37. The refurbishment or redevelopment of the Ledbury towers 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.
38. 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
39. All works options will create significant opportunities for apprenticeships and jobs for local people. Any 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.

Resource implications

40. An indicative sum of £35m has been utilised for the purposes of financial modeling a capital programme for works at Ledbury Estate based on the original recommendations from Arup. This figure has not been revised following the revised recommendations from Arup. Any funding allocations would be subject to normal council protocols.

Consultation

41. A dedicated webpage 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 all the reports

from Arup and copies of Fire Risk Assessments are available on this website. Ward councilors are also receiving weekly updates.

42. There has been extensive consultation provided to residents in the high rise blocks. Residents on the estate have been receiving a weekly newsletter.
43. A Ledbury Residents' 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). The Resident Project Group have an independent residents advisor, Open Communities, who have acted as independent and expert support for residents since the start of the decanting and options appraisal process.
44. As set out in the report the options appraisal process will now be subject to consultation with the existing residents and those residents who have the right to return.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy

Rents

45. Under Section 24 of the Housing Act 1985, local housing authorities have the power to '*make such reasonable charges as they may determine for the tenancy or occupation of their houses*'. Section 24 also requires local authorities, from time to time, to review rents and make such changes as circumstances may require. This is a broad discretion which enables local housing authorities to fix their own rents at a level they consider reasonable.
46. However, this discretion is subject to the requirements as to the keeping of the Housing Revenue Account (HRA) in the Local Government and Housing Act 1989. The 1989 Act requires the budget on the account to be balanced.
47. A local housing authority must also take account of Government guidance and the Rent Standard as set by the regulator of social housing when setting rents. Guidance and standards are subject to, and do, change from time to time. When setting the rents of any new social properties on the Ledbury, the council will be required to give consideration to the relevant legal provisions, guidance and standards in place at the time the properties are ready to be let.

Ballot

48. For some projects affecting social housing estates, GLA funding is conditional upon the provision of evidence of a positive vote in a resident ballot in favour of redevelopment (Resident Ballot Requirement). In brief, the requirement applies where a project involving demolition of council homes or construction of at least 150 new homes within the boundaries of an existing social housing estate is to benefit from GLA funding.
49. Where the Resident Ballot Requirement (RBR) applies there are certain requirements as to the ballot process although in some cases an application for

exemption to the RBR may be applied for. There are 3 general exemptions to the RBR (set out in the GLA capital funding guide) which broadly speaking cover demolition; to facilitate major infrastructure projects, to address concerns about the safety of residents or required to reconfigure provision of supported and/or specialist housing. The GLA will consider exemptions to the RBR on a case-by-case basis.

Public Sector Equality Duty

50. The cabinet's attention is drawn to the Public Sector Equality Duty (PSED) in section 149 of the Equality Act 2010 which requires the council when carrying out its functions and when making decisions to have regard 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 or belief, sex and sexual orientation. The duty also applies to marriage and civil partnership but only in relation to (a). The cabinet is referred to the community impact statement in this report setting out the consideration that has been given to equality issues which should be considered when approving the recommendations in this report.
51. Officers will need to keep the PSED in mind during the consultation process, during development of plans on the future of the Ledbury and when formulating recommendations to cabinet for final decision making. Members must have due regard to the duty when the matter is referred back to cabinet following consultation.

Consultation

52. The reopening of the options appraisal will engage the council's consultation duties in section 105 of the Housing Act 1985 in respect of its secure tenants likely to be substantially affected by a matter of housing management and, under general administrative legal requirements, in respect of others likely to be affected by the outcome.
53. To meet legal requirements consultation must be undertaken when proposals are still at a formative stage. The consultation must include sufficient reasons for the proposals to allow interested parties the opportunity to consider the proposals 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 on the proposals. The consultation plan should be reviewed at key stages of development of the proposals.

Strategic Director of Finance and Governance (H&M19/128)

54. The Strategic Director of Finance and Governance notes the developments since the previous report and the re-costing exercise now underway. At this juncture, there are no financial implications arising directly from the report's recommendations. All costs associated with the Ledbury estate continue to be met from the Housing Revenue Account.

REASONS FOR LATENESS

55. The final figures for the costings of the refurbishment works have only recently been confirmed to include in this report. Furthermore, the election has meant that regular processes have been extended given members and officers have had to dedicate resource to managing the knock on effects of the pre-election period.

REASONS FOR URGENCY

56. The Ledbury estate is an ongoing programme which requires a decision to be made in a timely fashion to enable further consultation with residents in good time to start any proposed works.

BACKGROUND DOCUMENTS

| Background Papers | Held At | Contact |
|---|---|---------------------------------|
| Cabinet reports: Appointment of Keepmoat for emergency works at Ledbury Estate. 19 September 2017 (Item 19) | Constitutional Team, 160 Tooley Street, London SE1 2QH | Paula Thornton 020 7525 4395 |
| Web link: http://moderngov.southwark.gov.uk/ielListDocuments.aspx?CId=302&MId=5751&Ver=4 | | |
| Ledbury Estate – next steps update. 6 February 2018 (Item 8) | Constitutional Team, 160 Tooley Street, London SE1 2QH | Paula Thornton 020 7525 4395 |
| Web link: http://moderngov.southwark.gov.uk/ielListDocuments.aspx?CId=302&MId=5755&Ver=4 | | |
| Ledbury Estate – Arup structural survey report. 12 December 2017 | Constitutional Team, 160 Tooley Street, London SE1 2QH | Paula Thornton 020 7525 4395 |
| Web link: http://moderngov.southwark.gov.uk/documents/s72761/Report%20Southwark%20Councils%20Buy-Back%20Offer%20for%20Ledbury%20Towers%20Leaseholders.pdf | | |
| The way forward: Ledbury Estate high rise blocks. 30 October 2018 (Item 14) | Constitutional Team, 160 Tooley Street, London SE1 2QH | Paula Thornton 020 7525 4395 |
| Web link: http://moderngov.southwark.gov.uk/ielListDocuments.aspx?CId=302&MId=6085&Ver=4 | | |
| Ledbury Towers Update. 16 July 2019 (Item 14) | Constitutional Team, 160 Tooley Street, London SE1 2QH | Paula Thornton 020 7525 4395 |
| Web link: http://moderngov.southwark.gov.uk/ielListDocuments.aspx?CId=302&MId=6085&Ver=4 | | |
| Ledbury Towers Arup Structural Survey Report. 29 October 2019 | Constitutional Team, 160 Tooley Street, London SE1 2QH | Paula Thornton 020 7525 4395 |
| Web link: http://moderngov.southwark.gov.uk/documents/s85459/report%20ledbury%20towers%20arup%20structural%20survey%20report.pdf | | |
| Overview and Scrutiny reports – Ledbury Estate update. 15 November 2017 (Item 6) | Overview and Scrutiny Team. 160 Tooley Street | Shelley Burke 020 7525 7344 |
| Web link: http://moderngov.southwark.gov.uk/ielListDocuments.aspx?CId=308&MId=5794&Ver=4 | | |
| Ledbury Estate – Management Responses to recommendations of the Independent Review of the Ledbury. 23 July 2018 (Item 4) | Overview and Scrutiny Team. 160 Tooley Street, London SE1 2QH | Shelley Burke 020 7525 7344 |
| Web link: http://moderngov.southwark.gov.uk/ielListDocuments.aspx?CId=308&MId=6162&Ver=4 | | |

APPENDICES

| No | Title |
|------|-------|
| None | |

AUDIT TRAIL

| | | | |
|---|--|--------------------------|--|
| Cabinet Member | Councillor Kieron Williams, Housing Management and Modernisation | | |
| Lead Officer | Michael Scorer, Strategic Director of Housing and Modernisation | | |
| Report Author | Mike Tyrrell, Director for Ledbury Estate | | |
| Version | Final | | |
| Dated | 10 December 2019 | | |
| Key Decision? | No | | |
| CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER | | | |
| Officer Title | Comments Sought | Comments Included | |
| Director of Law and Democracy | Yes | Yes | |
| Strategic Director of Finance and Governance | Yes | Yes | |
| List other officers here | | | |
| Cabinet Member | Yes | Yes | |
| Date final report sent to Constitutional Team | 10 December 2019 | | |