

Meeting Name:	Cabinet
Date:	3 December 2024
Report title:	Ledbury Estate CPO Approval
Cabinet Member:	Councillor Helen Dennis - Cabinet Member for New Homes & Sustainable Development
Ward(s) or groups affected:	Old Kent Road
Classification:	Open
Reason for lateness (if applicable):	N/a

FOREWORD - COUNCILLOR HELEN DENNIS, CABINET MEMBER FOR NEW HOMES AND SUSTAINABLE DEVELOPMENT

The council remains unwavering in its ambition for the renewal of the Ledbury Estate and the delivery of high quality, sustainable homes for our residents who live there. The council is currently on site on Phase 1 of the estate renewal, which will deliver 80 new homes including 45 social rent homes. The first homes have already been pre-allocated, and we look forward to welcoming residents into their new homes in 2026.

With attention now turning to Phase 2, which will deliver a further 260 new homes, including 215 at social rent, the Council’s fulfilment of its obligations to provide vacant possession is one of the key milestones in the delivery of the new homes in this next phase. We are in negotiations with the leaseholders to buy back their properties and I am pleased that leaseholders are engaging in these negotiations.

This report now asks Cabinet to approve, in principle, the use of the Council’s compulsory purchase powers under section 226 of the Town and Country Planning Act 1990 and section 13 of the Local Government (Miscellaneous Provisions) Act 1976, subject to a formal resolution to make a Compulsory Purchase Order at a later date, which will only be needed as a last resort in the event that acquisition of all relevant interests cannot be reached by agreement with relevant parties, so as to enable the continued delivery of the renewal of Ledbury Estate.

RECOMMENDATIONS

Recommendations for cabinet

1. That cabinet note:
 - 1.1 The current position in relation to the delivery of new homes at Phase 2 of the Ledbury Estate Renewal Scheme:
 - 1.1.1 A construction contract with Higgins Partnerships Ltd to deliver both Phase 1 and Phase 2 of the Estate Redevelopment, along with the required budgets to deliver the Ledbury Estate Renewal Scheme was agreed by Cabinet in December 2021 and March 2023 respectively.
 - 1.1.2 A planning application (22/AP/0554) for the redevelopment of both phases of the site, providing 80 homes on the first phase and 260 homes on the second phase was approved in December 2022.
 - 1.1.3 The council has already acquired 19 leasehold interests across the 4 Ledbury towers. 6 of these were in Bromyard House which facilitated successful vacant possession for Phase 1.
 - 1.1.4 On Phase 1, vacant possession was achieved on 25 July 2022 with a formal start on site date of 4 December 2023.
 - 1.1.5 On Phase 2, there are currently 15 leasehold interests across the three remaining towers of Peterchurch House, Skenfrith House and Sarnesfield House (hereafter “the three towers”).
 - 1.1.6 The council is pursuing a negotiated settlement with all leaseholders situated within the three remaining towers, with the intention to acquire these remaining interests by agreement without the need for the council to apply to use its compulsory purchase powers.
 - 1.1.7 The council may need to use its compulsory purchase powers to acquire outstanding land and interests in the absence of a negotiated settlement to acquire such interests.
 - 1.1.8 The council is offering to rehouse all resident leaseholders who want to stay on the rebuilt Ledbury Estate, in a new leasehold home on either an outright purchase or shared equity loan basis (subject to financial assessment), in compliance with the policies outlined in the Ledbury Resident Offer document.
 - 1.1.9 Phase 1 is currently anticipated to complete in June of 2026.
 - 1.2 That a further report will be prepared and submitted to cabinet at a later date (if required) seeking cabinet’s formal resolution to make a CPO.
 - 1.3 The ongoing efforts to rehome residents from the three towers, based on a critical health and safety risks, as detailed in the July 2024 Rehoming Notice section below.
2. That cabinet agree in principle:
 - 2.1 To use its compulsory purchase powers under Section 226(1)(a) of the Town and Country Planning Act 1990 (“the 1990 Act”) and section 13 of the Local Government (Miscellaneous Provisions) Act 1976 for the acquisition of all land

and interests (which are not already owned by the council) within the area of land shown for identification purposes edged black and bold on the plan in Appendix 1, for the purposes of facilitating the redevelopment, development and improvement of the land and securing the delivery of 340 new homes on the site in line with the planning application for Phase 2 (“the Scheme”) thereby securing the continued redevelopment of the Ledbury Estate, in line with the original planning consent (22/AP/0554) and associated minor material amendments application (24/AP/2136), subject to a formal resolution to make a Compulsory Purchase Order (CPO) at a later date.

3. That cabinet resolve to approve:

3.1 That the Director of Planning and Growth, in consultation with the Managing Director of Southwark Construction, be authorised on behalf of the council to:

3.1.1 Take all necessary steps to secure the making, confirmation, and implementation of the CPO, including the publication and service of all notices and the presentation of the council’s case at public inquiry should one be called;

3.1.2 Acquire for planning purposes all interests in land and new rights within the CPO area as may be necessary to facilitate Phase 2 of the Scheme, either by agreement or compulsorily, including entering into negotiations with any third parties for the acquisition of the land interests and/or for new rights over their land (as appropriate), the payment of compensation and dealing with any blight notices served in connection with the CPO;

3.1.3 Approve agreements with landowners setting out the terms for the withdrawal of objections to the CPO, including where appropriate seeking the exclusion of land or new rights from the CPO or giving undertakings as to the enforcement of the terms of the CPO;

3.1.4 Make any minor additions, deletions, or amendments to the extent of the land to be included in the CPO as shown in Appendix 1 should the need arise, to include all interests in land and rights required to facilitate the construction, maintenance, and use of the Scheme;

3.1.5 Take all necessary actions in relation to any legal proceedings relating to the CPO, including defending or settling (as appropriate) any compensation claims referred to the Lands Chamber of the Upper Tribunal due to the making or implementation of the CPO, and to take all necessary steps in respect of any other legal proceedings that relate to the making, confirmation, or implementation of the CPO; and,

3.1.6 Appoint and/or retain such external professional advisors and consultants as are necessary to assist the Council in facilitating the development of Phase 2 of the Scheme, including in the promotion of the CPO and the settlement of any compensation claims.

3.2 To apply to the Secretary of State for redevelopment status in order to rely on Ground 10A of the Housing Act 1985 (in respect of any secure tenants).

3.3 the use of the overall works contingency budget to deliver the CPO as set out in paragraphs 98 to 105.

4. That cabinet confirms:
 - 4.1 For the purpose of making and confirming the CPO, it's acknowledgement of the available budget of £212,000,000 for the entire Ledbury Estate Renewal Scheme Budget (with details outlined in the Financial implications section below).

REASONS FOR RECOMMENDATIONS

5. There are various third-party interests in the land at Phase 2 of Ledbury Estate. The council will need to acquire those interests in order to secure vacant possession of the three towers (which it is contractually obliged to do) so as to enable the Scheme, including the demolition works scheduled to commence in summer 2026, to proceed.
6. The preparation of a CPO is crucial to the scheme's success and cabinet is therefore being asked to confirm its willingness to investigate the use of compulsory purchase powers. If a CPO needs to be made, the council must be able to demonstrate that it has taken reasonable steps to acquire all of the land and interests included in the CPO by agreement.

Alternative Options Considered and Not Recommended

7. The council could seek not to grant a resolution to make an Order; thereby in effect relying on the fact it is confident that it could secure the purchase of all 15 remaining leasehold interests and the interests of those statutory undertakers via voluntary agreement alone.
8. The council cannot guarantee it will secure vacant possession of Phase 2 voluntarily by agreement and therefore considers starting the Compulsory Purchase Order (CPO) process (subject to a formal resolution to make a CPO at a later date) is an appropriate action to take to enable the council to meet the delivery programme and not risk potentially significant financial penalties levied via the main works contractor for delays caused by the council.

Post Decision Implementation

Table 1 - Post Implementation Decisions

Key Activity	Completion Date
Continued engagement with affected parties both as to the acquisition of their interests and the effects on them of a CPO	Ongoing
Land referencing and diligent enquiries continue to be made about the interests held in the land shown on the Plan at Appendix 1	December 2024 – January 2025

Review of position and requirement for CPO to be considered and formal authority to make a CPO to be sought from Cabinet (if required)

April 2025

9. The success of the implementation of the recommendations outlined in this report should be assessed against whether the council is able to successfully make and confirm the CPO. As outlined below, it is the hope that the council doesn't need to utilise its CPO powers and that merely obtaining the permission to implement a CPO will be sufficient to reach agreement with all the owners of all remaining leasehold interests.

BACKGROUND INFORMATION

The Scheme

10. The Ledbury Estate development is within the council's Southwark Construction Programme, which is part of the council's commitment to build 11,000 new homes by 2043.
11. The Southwark Construction Programme (formerly the New Homes Development Programme) is aimed at creating new homes from existing council assets and acquiring new assets. The principle of New Homes Development was agreed by cabinet in July 2012.
12. Ledbury Estate will deliver 340 homes and will provide a mix of one to five bed units, predominantly for social rent, as well as private sale in six blocks across the Bromyard and Old Kent Road sites. There will be no net loss of council homes and the scheme is currently set to deliver the following:
 - 12.1 209 Replacement Social Rented Homes
 - 12.2 51 Additional Social Rented Homes
 - 12.3 15 Shared Equity Homes for Leasehold Interest Reversion¹
 - 12.4 65 Market Sale Homes (Cross-Subsidising the programme)
13. Planning approval for the scheme, including both phases, was granted on 15 December 2022. There is currently a minor material amendment application, focused on changes to Phase 2 of the scheme (24/AP/2136), which is in the process of being determined by the Southwark planning team. This application has been submitted to Southwark Planning Authority primarily in response to recent requirements as outlined in the Building Safety Act 2022, for buildings over 18m tall to include two staircases – this affects two of the four blocks for Phase 2.
14. Both phases of the scheme are being delivered via a main works design and build contract with Higgins Partnerships Ltd, with an optional break clause following completion of phase 1 of the works.

¹ This may lower depending on leaseholders choosing to sell their existing home to the council and choosing to relocate off the estate, giving up pre-allocated property within Phase 1 of the estate. Any shared equity homes that aren't required to accommodate current leaseholders will become additional social rent homes.

15. Progress on the scheme is positive with Phase 1, the previous site of Bromyard House, moving forward broadly on programme. Phase 1 will deliver:
 - 15.1 Up to 15 Shared Equity Homes for leaseholders who may wish to move from Phase 2;
 - 15.2 A minimum of 45 Social Rented Homes (Expected to be taken up by those with secure tenancies residing within the three towers or other secure tenants with a right to return); and,
 - 15.3 20 Market Sale Homes.
16. To ensure that the scheme can remain on programme it's essential that the council is able to secure vacant possession of the Phase 2 site by the target date within the contract of 30/06/2026.
17. The principal challenge of securing vacant possession (VP), as is common for estate renewal schemes in both Southwark and further afield, is being able to secure leasehold properties. As noted above, there are 15 leasehold interests currently remaining in the three towers.
18. As noted in paragraph 1.1.6, the principal objective of the council is to secure these property interests via voluntary agreement. However, should that not be successful, the use of a Compulsory Purchase Order will facilitate the council being able to secure VP in a timely fashion and ensure the current programme for the redevelopment of Ledbury Estate can remain on track.

Vacant possession and leaseholder offer

19. Peterchurch House, Skenfrith House and Sarnesfield House contain 168 residential properties. At the time that the defects associated with the block were first identified in 2017 a total 28 properties were held leasehold across the four tower blocks.
20. The council originally offered a voluntary buy back scheme for tenants to move from the estate (including all four towers) into another secure tenancy, with an option to return. Under this scheme the council has successfully rehoused 156 of the 190 households who occupied properties in the four towers on secure tenancies, granting them an option to return to the redeveloped estate.
21. In addition, the council implemented a voluntary scheme for leaseholders to sell their properties to the council in December 2017 and through this scheme, acquired 13 leasehold interests in across the three towers. Although at that time it was envisaged that a refurbishment of the blocks would take place, the voluntary buy back scheme that the Council put in place enabled those leaseholders who sold their properties early in the process to benefit as if the Council was buying the properties pursuant to a CPO. This meant they were entitled to a loss payment alongside reasonable legal and other costs associated with the Council's acquisition of their property and their purchase of a replacement property.
22. In July 2021, following a positive ballot of residents on the estate, the council agreed the redevelopment of the Ledbury towers and agreed to commence the next phase of the acquisition of leasehold interests on the four towers via negotiation, under terms that would apply pursuant to a CPO.

23. The immediate focus was on securing vacant possession of Bromyard House and in January 2022, Cabinet approved the making, confirmation, and implementation of the CPO designed to help secure VP at Bromyard House (e.g., Phase 1). In that instance three remaining leaseholders had interests within Bromyard House. The signal that the council was willing to make, confirm and implement a CPO was material in helping the council agree terms with the remaining three leaseholders and ultimately secure VP without undertaking a CPO of any interests within the now demolished Bromyard House.
24. The January 2022 Cabinet Report noted that a further CPO report would be brought forward at later stage in the project to secure vacant possession of Peterchurch House, Sarnesfield House, Skenfrith House and surrounding land, should it not prove possible to obtain full vacant possession by agreement. This report brings forward the approval to make a CPO on the three remaining towers and it is hoped that the council resolving to grant approval to progress the CPO in this instance may once again help to accelerate additional sales from leaseholders to the council.

July 2024 Rehoming Notice

25. On the 31 July 2024², the council took the step of informing all remaining residents of the three existing Ledbury Towers that, due to worsening structural conditions of the blocks, particularly affecting the fire safety performance of the buildings, combined with the threat of fires within the buildings, principally stemming from lithium ion batteries (e.g., those used on many e-bikes and e-scooters) that it was mobilising a total block rehoming requirement for the three towers.
26. This followed the outcome of a Stage 4 Fire Risk Assessment report, which found, in conjunction with structural assessments of the three towers, that there was a considerable fire risk, even when considering mitigation measures.
27. The council is undertaking this action proactively after discussions with the London Fire Brigade to mitigate to the greatest extent possible, risks to the health and safety of current residents of the three towers.
28. At the time of writing, Housing Management are coordinating the rehoming of the remaining residents residing within the blocks. There are currently 58 remaining residents with tenures split as follows:
 - 34 homes used for temporary accommodation
 - 9 homes of secure tenants and,
 - 15 homes of leaseholders.
29. Preparation for finding suitable temporary accommodation for all those residing in the blocks is ongoing; however, even if all residents move temporarily, the council is unable to demolish the three towers until such time as all the remaining interests in the block have been acquired.

² Website update can be accessed at the following address
(<https://www.southwark.gov.uk/housing/safety-in-the-home/ledbury-estate>)

Unregistered Land

30. Within the extent of the proposed CPO (Appendix 1) there is a small sliver of unregistered land at the intersection of Commercial Way and Old Kent Road. This sliver of land is important as it is needed for the development of Phase 2 of the scheme.
31. The CPO will, if used, bring this piece of land into council ownership.

Statutory Undertaker Assets

32. Within the CPO demise (see appendix 1), there is only one significant above ground asset owned by a statutory undertaker. There is an electrical sub-station (TGL292589) within the proposed CPO extent.
33. This is important as statutory undertakers typically object within the process of a CPO if their above ground assets are included within a CPO extent.
34. Engagement is already well advanced with UKPN, the asset owner, to find an agreeable re-provision solution for the sub-station within the plans for Phase 2.
35. Technical plans have been submitted and are being reviewed, including with site visits, for the re-provision of the sub-station together with construction of an additional adjacent substation building that will help support the electrical connections for all current users (e.g., low-rise Ledbury block) and for the new connections to the 260 new homes. UKPN have, to date, been supportive of this process.
36. UKPN will be kept abreast of the CPO process and continue to be engaged with closely throughout. Whilst it is likely that UKPN will object to the CPO, council officers are also confident that they can be convinced to rescind their objection in a timely fashion as there is a viable alternative for their services within plans for Phase 2 of the scheme.

KEY ISSUES FOR CONSIDERATION

37. As further properties become vacant within the three towers, following successful rehousing of the remaining secure tenant households, temporary accommodation households or the purchase of leaseholds (see July 2024 Rehoming Notice section), these properties will no longer be utilised for further lettings and will be held void until the blocks are fully vacant prior to its demolition. A total of 58 properties within the blocks are currently held void in this way.

Temporary Accommodation

38. There are currently 34 households in temporary accommodation remaining across the three towers. The council's Area Housing Office and the Temporary Accommodation Team continue to work with these remaining households to facilitate moving them to another property off the estate.
39. Whilst the council is committed to rehousing all households in temporary accommodation by agreement, if required the council will rely on its statutory

powers to secure possession of these properties.

Secure Tenants

40. There are currently 9 secure tenancies remaining across the three towers. The council's Area Housing Office continues to work with these remaining secure tenants and their households to facilitate moving their secure tenancy to another property off the estate in the first instance with the option to return to the new development on the Phase 1 site in around summer of 2026.
41. Whilst the council is committed to rehousing all secure tenants by agreement, if required the council will rely on its powers set out under grounds 10 and 10a of the Housing Act 1985 to secure vacant possession of any tenanted properties where agreements on new homes to be provided are not able to be reached.

Leasehold Interests

42. Since July 2021 the council has also secured agreement with two of the remaining 15 leaseholders in the block and lawyers have been instructed in regard to the acquisitions of those properties. There are 13 leasehold interests where terms are still to be agreed.
43. The council is continuing to negotiate with the remaining leaseholders, although their intention is largely to take up the offer made in July 2021 by cabinet whereby the leaseholders were offered the opportunity, subject to qualification, to be able to purchase a replacement property on the redeveloped estate. Discussions are therefore ongoing with the leaseholders in relation to the offer to purchase new homes in Phase 1 of the redevelopment and the detailed terms of that offer.
44. Whilst it is envisaged that the resident leaseholders may be housed in temporary housing due to the fire safety issues recently identified in the blocks, their interest in their property will remain until it is acquired by the council. The council is therefore looking to reach agreements whereby leaseholders sell their interests in the existing block alongside an agreement to acquire a new property off-plan in the new development. This would enable the council to acquire the interests of the resident leaseholders in the three towers in advance of completion of the new build properties.
45. A similar offer is being made to non-resident leaseholders, subject to their private tenants finding alternative accommodation in the private sector.
46. As such, the council still needs to progress through the process of making, confirming and, if required, implementing a CPO for the three towers should leaseholders change their mind at the last minute and not wish to move to the new properties in summer 2026. This will be done in tandem with a process of seeking voluntary agreements with all leaseholders, irrespective of the current temporary rehoming process.
47. This process has already and will continue to conform to the latest guidance for the use of Compulsory Purchase powers issued by the Ministry of Housing, Communities and Local Government (2024) for the benefit of acquiring authorities.

48. This will hopefully give further impetus to conclude negotiations and to provide certainty of acquiring all remaining interests required to ensure full vacant possession of the three towers within the timescale required by the construction programme for the Ledbury Estate Renewal Scheme. It will ensure the redevelopment of the Phase 2 site is fully in line with the submitted scheme; thereby ensuring the delivery of new homes on the site to support the existing and incoming residents.

Statutory powers

49. Bodies which have compulsory purchase powers, such as a Local Authority, may make a CPO, but the powers may not be exercised until that order has been confirmed by the Secretary of State, who must be satisfied that the powers are to be used for their proper purpose and that there is a compelling case in the public interest for the use of those powers.
50. There are a number of different Acts which provide the powers for Local Authorities and other bodies to exercise compulsory purchase powers. The principal CPO powers applicable to the provision of housing are contained within Section 226 (1)(a) of the Town and Country Planning Act 1990 or Section 17 of the Housing Act 1985.
51. The s.17 power in the Housing Act may be used where the purpose is the provision of housing accommodation that will achieve a qualitative and/or quantitative housing gain. Whilst the s.226(1)(a) power may be used if the CPO is likely to facilitate the carrying out of redevelopment or improvement on or in relation to the land acquired will contribute to the economic, social, environmental wellbeing of the area. Both Acts, however, require the council to demonstrate there is a compelling case in the public interest for the use of CPO powers.
52. The council has considered the use of either power in relation to bringing forward a CPO on the three towers but considers that on balance the most effective and appropriate power in deliver the redevelopment of the Ledbury towers to be Section 226 (1)(a) of the Town and Country Planning Act 1990.

Use of CPO powers

53. Officers acknowledge that compulsory purchase powers should only be exercised if there is a compelling case in the public interest. Members should be sure that the purpose for which CPO powers are sought sufficiently justify interfering with the human rights of those with an interest in the land affected.
54. The background to this project has already been set out above and the steps taken to acquire the affected interests in the three towers described. Whilst it is acknowledged that most leaseholders are seeking to acquire new homes in phase 1 of the redevelopment which will not complete until summer 2026, officers recommend that it is appropriate to bring forward a CPO, at this point in time, to safeguard the overall programme.
55. The government's key document governing compulsory purchase process and powers is titled "Guidance on Compulsory purchase process" and was most recently updated in October 2024. The guidance states that whilst "compulsory purchase is intended as a last resort to secure the assembly of

all the land needed for the implementation of projects ... an acquiring authority does not need to wait for negotiations with affected parties to break down or for the affected parties to begin to engage with them before starting the compulsory purchase process in parallel with negotiations. Delaying the start of the compulsory purchase process can result in valuable time in progressing a project being lost. Therefore, depending on when the land and/or rights are required, it may often be sensible, given the amount of time required to complete the compulsory purchase process, for the acquiring authority to:

- plan a compulsory purchase timetable as a contingency measure
 - initiate formal procedures.
56. This will also help to make the seriousness of the acquiring authority's intentions clear from the outset, which in turn can encourage those whose land is affected to enter more readily into meaningful engagement."
57. Officers consider that in the case of three towers and the proposed redevelopment timescale, this meets the test set out in the government guidance where it is appropriate to initiate formal procedures at an early stage to secure vacant possession of the land required.
58. The statutory basis of the CPO and the use of powers are detailed further in Appendix 2.
59. Officers are satisfied that the scheme underlying the CPO will contribute to the well-being of both the local area and deliver wider benefits for Southwark. The scheme overall will significantly contribute to and promote the overall social and environmental well-being of the area through the delivery of new high quality, energy efficient homes, planting of new trees, new play equipment for young people and through the new and improved areas of public realm which will better integrate the existing streetscape. The considerations and benefits of the scheme are set out in more detail in the Community Impact Statement.

Policy Framework Implications

Council Delivery Plan

60. The council's fairer, greener, safer delivery plan 2022 – 2026, outlines the authority's corporate objectives until 2026. The Ledbury Estate Renewal Scheme will overtly and directly contribute to the themes of *Quality, Affordable Homes* and *A Healthy Environment*.

Southwark Plan

61. The Southwark Plan (2022) sets out the vision, strategic objectives, and planning policies for development in Southwark for the period 2019 to 2036. As a sub-regional authority plan it is guided by policies contained within upper-tier statutory planning documents, namely the nationally applicable NPPF and PPG and the regional London Plan 2021.
62. In securing planning permission in December of 2022 (22/AP/0554), with regard to the forthcoming Minor Material Amendments application for Phase 2 (validation forthcoming), the scheme has previously and will continue to ensure adherence to the policies and guidance laid out within the Southwark

Plan and the associated Supplementary Planning Documents.

Old Kent Road Area Action Plan

63. The Draft Old Kent Road Area Action Plan outlines the strategy for the regeneration of the Old Kent Road. The Ledbury Estate Renewal Scheme will positively contribute to the ambitions and objections contained within the regeneration framework, particularly within its locality of Sub Area 2. The CPO will facilitate this positive contribution.

Great Estates Plan

64. The Ledbury Estate Renewal Scheme, when implemented, will positively contribute to the council's Great Estates agenda by enhancing curtilage, landscaping and adjacent facilities to the Ledbury Estate (e.g., the BMX track within Bird in Bush Park).

Community Impact Statement

65. The proposed redevelopment promises to bring about extensive benefits which together contribute to a significant increase in the social, economic and environmental well-being of the site itself, the wider estate and the borough as a whole.
66. The scheme will address the poor quality of the existing physical environment. Existing buildings are of poor quality, using poor quality building materials, employing outdated construction methods which have driven acute requirements for costly repairs. The latest structural survey findings, outlined in paragraph 25 to 27 outline the urgent need to replace the existing towers on the estate that have come to the end of their usable life.
67. The site also comprises under-utilised spaces, reducing personal security and perceived safety, with the ground plane dominated by car-focussed uses and vacant garage space. These areas attract anti-social behaviour and run counter to contemporary objectives to encourage active travel.
68. The proposed redevelopment of the site will bring about significant improvement of the physical environment within the site. It will deliver a broad range of open spaces, a new and improved MUGA, extensive improved landscaping, new T&RA facility and two new commercial facilities fronting Old Kent Road.
69. The development will also provide new high-quality homes, contributing towards an increase in both the quantum and quality of residential accommodation on the site and contributing to corresponding improvements in the wider area. The homes that will be built will see significant improvement on the existing stock and will retain the spaciousness of the existing properties.
70. While these scheme benefits are significant and compelling, they must be weighed against any potential disbenefits. The council has given detailed consideration to the potential adverse impacts of bringing forward the proposed redevelopment and promoting the associated CPO. The primary

potential area for direct adverse impacts arises from the requirement for households currently resident within the site to be relocated outside of the site to allow for the construction of the development in line with the existing planning consent. In the absence of council rehousing policies to enable affected residents to be able to stay in the local area this could give rise to adverse impacts such as disruption, unfamiliarity with a new area, difficulty maintaining access to local amenities, services and other social and cultural amenities. However, it is considered that the council's rehousing assistance and associated support and guidance enable these potential adverse impacts to be mitigated.

71. As outlined above, the land to be included in any CPO (Appendix 1) currently comprises three blocks of 56 (168 total) residential properties, of which 58 are presently occupied. It is considered that the adverse impacts on these households resulting from the scheme are mitigated as they would be rehoused through the council's regular rehousing processes by the time of the CPO implementation.
72. There are currently 9 households occupying a property on a secure tenancy within the three blocks. These tenants have priority rehousing status, and housing officers are working with them to assist them with the rehousing process. Again, it is considered that the adverse impact on these households resulting from the scheme are mitigated. They have been given priority status in bidding for alternative accommodation either within existing council stock or that of housing association partners. As this is a choice-based bidding system, tenants are able to exercise personal choice in the location of moves. This ensures the ability to remain within the local area should they wish.
73. These secure tenants will have the priority right to return to homes on Phase 1. Many of them were planning on staying within the three towers until the homes on Phase 1 were completed allowing a comparatively seamless move within the extent of wider Ledbury Estate. However, due to the recent announcement (see section July 2024 Rehoming Notice), these secure tenants will be supported to move temporarily off the estate and will be supported again, should they wish to exercise their right of return to the Phase 1 homes once completed (which is anticipated in Spring/Summer of 2026).
74. There are 15 leasehold interests remaining on the site. In line with Compulsory Purchase and Compensation guidelines set out by the Department for Housing and Communities, leaseholders receive market value for the purchase of their property, plus a home loss payment of 10% for resident leaseholders, or 7.5% for non-resident leaseholders, as well as disturbance payment to cover the reasonable costs of moving, such as removals costs and fees. Even when purchasing properties by agreement, the council makes an offer, as outlined in the Ledbury Resident Offer Document, on this basis in recognition that this would be the basis for a purchase under a CPO.
75. While issues relating to the value of leasehold interests are not in themselves a consideration in promoting a CPO, it is acknowledged that there is a disparity in existing values on the estate and those in the surrounding areas which if unmitigated could present a barrier to resident leaseholders remaining in the area and continuing to access services, employment opportunities and community ties. The council has, therefore, put in place a range of rehousing

options for leaseholders which, depending on the individuals' specific circumstances, can result in the offer of a council tenancy on a council-owned property or the purchase of a council property on a shared equity (where no rent is paid on the unowned portion) basis.

76. Such options provide the opportunity for existing residents to be able to choose to remain in the local area, should they wish to, and thereby mitigating any potential impacts on individuals' ability to continue to access local services and amenities resulting from the proposed CPO.
77. The council has sought to mitigate any disbenefits through a range of reasonable and proportionate measures focused on rehousing and compensation options, to realise the public benefits associated with the redevelopment. The council has given consideration to the potential disproportionate impacts that could potentially arise and has identified and implemented measures to mitigate such impacts as far as possible. It is therefore considered that there remains a compelling case in the public interest for the scheme to proceed and for the council to promote a CPO for the site.

Equalities (Including Socio-Economic) Impact Statement

78. Section 149 of the Equality Act 2010 lays out the Public Sector Equality Duty (PSED) which requires public bodies when taking decisions, to have due regard to the need to:
 - Eliminate discrimination, harassment, victimisation or other prohibited conduct
 - Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it
 - Foster good relations between those who share a relevant characteristic and those that do not share it.
79. The council, through learning lessons of previous estate renewal projects, has developed a consistent set of rehousing policies for leaseholders affected by estate renewal proposals in the borough.
80. These have identified that the council has a range of measures in place to mitigate any potential impacts of regeneration proposals, including:
 - Rehousing policies through the council which provide a range of local rehousing opportunities that enable residents to move locally (if they choose to do so) to a new home that meets the needs of their family and financial position.
 - A dedicated team of officers which supports both tenants and leaseholders through the rehousing process. At Ledbury the residents benefit from on site access to this team which reside on a 08:00 until 20:00 7 day a week basis at the estates T&RA Hall.
 - Providing support and guidance about a range of routes to all residents affected by regeneration but with particular focus on those that may be vulnerable or in need of additional support.
 - The development of new homes in the borough which will provide high quality homes to modern standards for residents in the borough to move

to.

81. Therefore, the council considers that the potential impacts of the scheme are fully addressed through the operation of its rehousing policies and provision of dedicated support and guidance available through Council officers and local independent organisations that provide support and guidance to Ledbury Estate residents.
82. Through the extensive consultation process for regeneration of the Ledbury Estate (which has been ongoing since 2016), the council has also sought to update its understanding of the makeup of individuals affected by the rehousing and process. The council will continue to monitor any resulting impacts. The council will also seek to update and expand upon this information throughout the ongoing process as it continues to discharge its public sector equality duty.
83. In addition, an updated Equality Health and Impact Assessment (EqIA) is being undertaken by the council to ensure the impacts of the re-development of the estate have been independently assessed. This will update an earlier EqIA prepared by CMA Planning in support of the initial planning permission for the scheme.
84. It will identify differential or disproportionate effects, both positive and negative, on those with protected characteristics from the proposal to undertake a CPO and sets out mitigation or enhancement measures that the council can put in place. It looks at these factors ahead of confirming decisions and policy. Relevant mitigation measures will be identified and become embedded into the approach of the CPO and associated redevelopment.
85. The equalities impact assessment will be carried out in accordance with the Equality Act 2010 and the council's Public Sector Equality Duty and builds upon previous work already carried out by the Council.
86. The assessment will be shared with the contractor and associated multi-disciplinary consultant team to help inform the approach and practice, particularly regarding Phase 2.
87. The compulsory acquisition of land will interfere with Article 1 First Protocol Convention Rights. However, Article 1 of the First Protocol allows such interference if it is in the public interest and in accordance with the law. The use of CPO powers as contemplated by this report is lawful in Article 1 terms provided that the Council strikes a fair balance between the public interest and the private rights of individuals which are protected by Article 1. It is also relevant that compensation is available to persons affected by compulsory acquisition in certain circumstances. It is considered that the compelling benefits of the Scheme in the public interest justify the interference with Article 1 rights in this case when weighed against the private rights of individuals.
88. As regards Article 6 Convention Rights, there are well established statutory procedures that will give all those likely to be affected by a CPO the right to be notified and the opportunity to object. Any such objections may cause a public inquiry to be held where those objections can be heard. Compensation disputes can be referred for hearing by the Lands Chamber of the Upper

Tribunal. For these reasons Article 6 is complied with.

89. The EqIA will need to draw on detailed demographic and socio-economic data, particularly from leaseholders given the primary focus of the CPO on leaseholders. Regrettably, the council's housing department holds comparatively little of this information on leaseholders vis-à-vis secure tenants. This will mean that household surveys will need to be issued in order to collect up to date relevant information.
90. Leaseholder's will be contacted by post and/or email where this information is held and followed up with phone contact to try and ensure a high response rate.

Health Impact Statement

91. The health impacts of the policies that this funding relates to are addressed in the EqIAs referred to above.

Climate Change Implications

92. The completion of the Ledbury Estate Renewal Scheme, including phase 2, facilitated by the resolution to make a compulsory purchase order will serve to benefit the council in helping to considerably reduce its operational carbon within its housing stock.
93. The homes with the three towers have poor EPC ratings and are currently being heated using a large diesel-powered generator and temporary electrical boilers. They therefore have a comparatively high operational carbon output.
94. All the new homes delivered through the scheme (facilitated by the CPO) will benefit from:
 - 94.1 Low carbon district heating connection from SELCHP;
 - 94.2 contemporary Part L compliance which is increasingly close to Passivhaus standard; and,
 - 94.3 the development will be car free and there will be a range of installations that encourage active travel (associated with BREEAM Excellent Status).
95. Benefits will also include community space and commercial units delivered as part of the scheme.
96. Monitoring of operational carbon performance will be undertaken as part of the council's planning obligation requirements outlined in final unilateral undertaking.

Resource Implications

97. The acquisition process continues to be met within existing resources within the council, supplemented with external professional advice as required. Delivery of the new homes are being delivered under contract with Higgins Partnerships Ltd entered in 2023. There are no additional resource implications arising from this report.

Financial implications

98. In December 2017 Cabinet approved funding of £10,725,000 for the acquisition of leasehold interest on the Ledbury estate. As at 30 September 2024 the remaining budget is £5,152,881.
99. It is anticipated that the cost of acquiring the remaining 15 leasehold interests in the three towers can be contained with the existing budget (see 104). However, the recommendation to make a CPO under Section 226(1)(a) of the 1990 Act gives rise to further financial implications for the council, as the cost of making and implanting the CPO will bring with it further costs of professional advice, such as legal costs, and potentially the costs of a public inquiry.
100. In the policy and resources capital programme update 2022-23 reported to cabinet on 17 January 2023, there was a New Build programme pre-construction budget of £307,840,082. Table 2 outlines the scheme level funding allocations of the schemes contained within this aggregated budget.
101. As noted below this report approved the headline budget for Ledbury Towers redevelopment of £209m, with £2.1m already incurred up to 31st of March 2023 – meaning a total scheme budget of £212m was approved in January 2023. This was an increase in the total scheme budget from the initial approval of £149.58m which was approved in the December 2021 Cabinet report.

Table 2 2022-23 Policy and Resources Capital Programme Update

Scheme Name	Previous Years Expenditure [£'000]	2022/23 to 2031/32 Expenditure [£'000]	Total Projected Expenditure [£'000]
Sceaux Gardens New Homes	2,347	39,353	41,700
66 Linden Grove	657	12,150	12,807
38 Mary Datchelor Close Ph5	248	3,549	3,797
Ledbury Towers Approved Phase 1 & 2	2,078	209,922	212,000
Ledbury Acquisitions Budget	4,557	6,168	10,725
Ledbury Moving Costs Budget	1,172	-	1,172
Aylesbury Estate regeneration	120,384	32,698	153,082
Maydew Demolition Works	-	4,000	4,000
Total	131,443	307,840	439,283

102. This budget is inclusive of GLA grant (estimated at £32.5m) and with 65 private sale units being delivered as part of scheme it is estimated³ that in the range of £35m could be secured from sales that would be offset against the total scheme budget.

³ As per the viability analysis submitted as part of initial planning submission.

103. The full breakdown of costs, and the contract value, for the scheme are set out in Table 3 below:

Table 3 - Budget Allocation

Budget Element	Total Allocation
Demolition Costs	£1.2m
Works cost	£176.3m
Professional Fees	£15m
Total Scheme Costs	£192.5m
Works Contingency	£17.6m
On Costs Contingency	£1.9m
Total Costs	£212m

104. The cost of the CPO is currently estimated to be between £0.5m and £0.75m depending on how the process proceeds. For example, if significant objections were received and a public inquiry required the costs would be at the upper end of those projections, but if no objections are received and a public inquiry not required then the costs to the council are significantly reduced.
105. Based on existing contract sums and site investigations to date it is anticipated that the CPO costs can be contained within the existing budget including contingency. If, following phase 2 site investigations once vacant possession has been achieved, further works costs are identified which mean the original full contingency was required, then a further report will come back to cabinet for approval.

Legal implications

106. The report recommends that a compulsory purchase order is made under Section 226(1)(a) of the 1990 Act. The report of the Assistant Chief Executive Governance and Assurance below (paragraphs 112 to 115) sets out further details of legal implications of that recommendation.

Consultation

107. There has been extensive consultation with all residents, both those currently residing and those that have previously resided on the Ledbury Estate. Positive engagement over several years is critical in the outcome of the successful ballot for estate renewal, with residents notably choosing for full demolition of the four towers blocks and new build housing across two phases.
108. A dedicated webpage, long-standing monthly resident design and project reviews, fortnightly newsletters, on-site resident service officer teams with presentation boards and ad-hoc topic specific meetings set up as needed have all been utilized to keep residents effectively up to date on the project so far, including around matters to do with leaseholder purchases.
109. Engagement with residents regarding the use of Compulsory Purchase Order powers by the acquiring authority has equally been varied and frequent with residents of Bromyard Tower initially receiving dedicated and frequent engagement within the process of seeking a Compulsory Purchase Order for

leaseholder interests within that tower. More recently as the council begins to move forward once again with the process of making a CPO it's engaging frequently with all temporary accommodation households, secure tenants and leaseholders and will continue to do so with residents, particularly those 14 leaseholders that retain interests within the three towers.

110. As noted in Table 1, WSP Limited, the land referencing agency, will also support the council in process of making, confirming and implementing a CPO – including support relating to ensuring that all those with property interests that may be effected by the CPO are kept well informed about the process and it's progression.
111. It's hoped, as per Government guidance, that this frequent and effective communication around the process will maximize the potential for all those with remaining property interests to voluntarily reach agreement with the council as to not impede the stated programme for Phase 2 of the scheme.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Assistant Chief Executive, Governance and Assurance (RS010/140835/KR)

112. The acquisition of land through the use of compulsory purchase powers is a matter reserved to cabinet by virtue of part 3C of the council's constitution.
113. The purpose of this report is to seek in principle authorisation for the making of (and subject to confirmation) implementation of a CPO under section 226(1)(a) of the Town and Country Planning Act 1990.
114. A detailed summary of the legal powers available to the council in connection with the use of its CPO powers and the curbs on the use of those powers is set out in appendix 2 to this report, including the tests to be met under sections 226(1)(a) and 226(1A) of the 1990, among other legal requirements. The tests under those sections are also set out in the report.
115. Section 149 of the Equality Act 2010 sets out the duty on public bodies when taking decisions, to have due regard to the need to eliminate discrimination, harassment, victimisation or other prohibited conduct; advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it; and foster good relations between those who share a relevant characteristic and those that do not share it. The report sets out how the council has had regard to these matters and will continue to do so throughout the process. Appendix 2 explains how the human rights of those affected by the CPO will be considered, and how the effects of the CPO will be mitigated to minimise the adverse impacts on affected parties.

Strategic Director, Resources (H&M 24/063)

116. The Strategic Director of Finance notes the current position in relation to the delivery of new homes at Phase 2 of the Ledbury Estate Renewal Scheme and the recommendation for Cabinet to agree in principle for the council to use its compulsory purchase powers under Section 226(1)(a) of the Town and Country Planning Act 1990 to enable the redevelopment of the Ledbury Estate to progress. There are no financial implications arising directly from the recommendations made in this report. Provision exists within the overall

budget for this project to acquire leasehold properties, and should it prove necessary, it is anticipated that the costs associated with any CPO will be met from the existing project budget.

Director, Planning and Growth

117. The Head of Property notes the current position and supports the recommendation to Cabinet to agree in principle for the council to use its compulsory purchase powers if required.
118. These powers are an important mechanism to ensure that the proposed redevelopment can be brought forward and whilst they should be used as a last resort, should all reasonable endeavors to reach an appropriate agreement with leaseholders and those with any other rights fail, it is essential that CPO is available to support the redevelopment.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Cabinet Report: Ledbury Estate Towers - Future redevelopment update (December 2021)	https://moderngov.southwark.gov.uk/mglIssueHistoryHome.aspx?lId=50027427	Report Author
Cabinet Report: Approval to delegate Gateway 2 - Contract Award Approval Main contractor for the Ledbury Estate redevelopment (March 2023)	https://moderngov.southwark.gov.uk/mglIssueHistoryHome.aspx?lId=50029639	Report Author
Cabinet Report: Policy and Resources Strategy 2023-24 to 2025-26 update	Agenda for Cabinet on Tuesday 17 January 2023, 11.00 am - Southwark Council (Item 8 on the agenda)	Report Author
Cabinet Report: Bromyard House, Ledbury Estate Compulsory Purchase Order (January 2022)	https://moderngov.southwark.gov.uk/mglIssueHistoryHome.aspx?lId=50027973	Report Author
Fairer, Greener, Safer Southwark's Council Delivery Plan	https://www.southwark.gov.uk/council-and-democracy/fairer-future/fairer-greener-safer-southwark-s-council-delivery-plan	Contact the Governance & Assurance Department
The Southwark Plan 2019 – 2036	https://www.southwark.gov.uk/planning-and-building-control/planning-policy-and-guidance/development-plan/new-southwark-plan	Contact the Environment Neighbourhoods & Growth Department
Draft Old Kent Road AAP	https://www.southwark.gov.uk/planning-and-building-control/planning-policy-and-guidance/development-plan/area-action-plans-section/old-kent-road-aap	Contact the Environment Neighbourhoods & Growth Department

Background Papers	Held At	Contact
Cabinet Report: Ledbury Estate Towers - Ledbury Towers Residents' Ballot Appendix 1: Ledbury Offer Document (February 2021)	https://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?Id=7281	Report Author or Housing Department
Equalities Impact Assessment V2 (Documented Submitted as part of Planning Submission)	Search for '22/AP/0554' on the Southwark planning portal https://planning.southwark.gov.uk/online-applications/ Search for report name in documents tab	Contact the Environment Neighbourhoods & Growth Department

APPENDICES

No.	Title
Appendix 1	Red Line Boundary of Proposed CPO Area
Appendix 2	Ledbury Estate Phase 2 CPO Procedural and Legal matters

AUDIT TRAIL

Cabinet Member	Councillor Helen Dennis - Cabinet Member for New Homes & Sustainable Development	
Lead Officer	Stuart Davis, Managing Director of Southwark Construction	
Report Author	Alex Talbot, Project Manager	
Version	Final	
Dated	21 November 2024	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Assistant Chief Executive, Governance and Assurance	Yes	Yes
Strategic Director, Resources	Yes	Yes
Director, Planning and Growth	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team	21 November 2024	