

THE LONDON BOROUGH OF SOUTHWARK

TOWN AND COUNTRY PLANNING ACT 1990
AND ACQUISITION OF LAND ACT 1981

Revised Inquiry into

THE LONDON BOROUGH OF SOUTHWARK
(AYLESBURY ESTATE SITES 1B-1C)

COMPULSORY PURCHASE ORDER 2014

PINS REFERENCE: NPCU/CPO/A5840/74092

Proof of Evidence of
George Turner
For the Aylesbury Leaseholders Group

12 December 2017

1. My Name is George Turner, I am a researcher and investigative journalist, housing and planning is an area of particular interest to me. My writing has appeared in the Sunday Times, the Guardian and other publications.¹ In addition to this I run my own website: www.ourcity.london, which looks at the housing and planning industry in London. I have written about the Aylesbury for the Guardian, a copy of the article can be found in (**GT1**).
2. I also have a detailed knowledge of the planning process. In 2015 I was a litigant in person in the High Court where I challenged the decision of the Secretary of State to grant planning permission for the partial demolition and redevelopment of the Shell Centre on London's South Bank. The case ended up in the Court of Appeal². I have also appeared at a number of other planning inquiries and planning committee meetings, including giving evidence to a First Tier Tribunal on Information Rights³ and being a rule 6 party to the planning inquiry into the application to redevelop the former Fire Brigade Headquarters, 8 Albert Embankment.
3. I am also familiar with the area. Between 2009 and 2013 I was the head of office for Simon Hughes MP, who was then the member of parliament for the northern part of Southwark. I live just across the border from Southwark, in Lambeth, and my wife teaches at a school close to the Aylesbury Estate.
4. My evidence addresses the requirement that the scheme improves the economic and social well-being of the area. It is my view that the scheme does not meet the well-being test set out in law.

1. A selection of my publications are available on my website www.georgeturner.com

2 [2015] EWCA Civ 582

3 LBS v Information Commissioner [2014] (EA/2013/0162)

5. I argue that the terms economic and social well being of the area must be taken to include reference to people who currently live in the area, not the future residents who may move into the area as a result of the scheme.
6. It is quite clear that the people subject to the CPO will not have their wellbeing improved by confirmation of the order. My evidence shows that if the order is confirmed then leaseholders will be forced to sell their homes for an amount of money well below that which would allow them to purchase another home in the area.
7. To a large extent this has already happened. The extremely low valuations placed on the homes at the Aylesbury are so low that leaseholders would struggle to purchase a replacement property in much of London. They certainly would not be able to purchase property in inner London.
8. Details can be found in the article attached to my evidence labelled (**GT1**), and FOI responses (**GT5**) which informed it and exhibit (**GT3**).
9. FOI requests (ref:609481) show that in September 2012, Southwark council paid one leaseholder on the Aylesbury Estate just £75,000 for their large, 54m², one-bedroom flat (**GT5**). In 2014 the council paid £147,500 for a 4-bedroom, 97m² maisonette (**GT5**). To put this in context, by January 2013, average house prices in London had already hit £400,000. In August 2013 estate agents declared that they had found the last home in London on the market for less than £100,000 (**GT4**). The property was a studio flat in Brixton, the property had a 56 year lease and its condition was described as 'horrendous' by its estate agent.
10. The low valuations which Southwark managed to successfully secure on the Aylesbury should not be taken as a sign that leaseholders were happy with their offers. It is sadly common in compulsory purchase for councils to

employ all sorts of strategies to compel leaseholders to give up their titles for less than the market rate. This can include restricting access to expert advice via caps on reimbursement of professional fees (see Ms Kabuto's evidence), and threats that an offer will be withdrawn if it is not accepted. I note that in the majority of cases detailed in the Fol response (**GT5**) no surveyors' fee was paid.

11. If leaseholders wish to stay in the area, they will be forced to accept higher housing costs via increases in service charges (see Ms Kabuto's evidence), which will make them poorer and they will be subjected to a number of restrictive clauses in small print (see Ms Robinson's evidence).
12. The effect of this is that people are being forced out of the area (see Professor Lee's evidence). This enforced dispersion of communities is always damaging. Communities are more than just a collection of individuals living in an area. Family and personal relationships are key to the social well being of an area. These relationships will be broken if the CPO is confirmed.
13. The community at the Aylesbury will not be improved, but instead replaced with people of higher incomes. Although on paper this could generate statistics which demonstrate that average incomes in the area have increased or will increase, this is simply a function of replacing lower income families with higher income people. For the residents of the Aylesbury, it is simply unarguable to say that forcing people out of the area, or forcing them to accept higher housing costs, could constitute an improvement in their economic and social wellbeing.
14. In addition to the social and economic wellbeing of the people directly impacted by the scheme, I submit in my evidence that the inspector should also take into account the economic wellbeing of the people of Southwark as a whole.

15. The argument for many regeneration schemes is often that the schemes pay for themselves via cross-subsidy from new private market housing. This is not the case here, where the council appear to be subsidising the scheme with significant amounts of money.
16. Southwark have already placed on the record that by September 2016 they had spent a total of £49m on progressing the Aylesbury regeneration scheme (**GT6**; para 17), and are seeing significant cost overruns. These costs are being funded through the housing revenue account (HRA). The HRA is the ring-fenced council account that holds rent from council tenants. The money in the account pays for the upkeep and repair of social housing, and can fund the building of new social housing. In funding the scheme from the HRA tenants and people living in housing poverty will see their economic wellbeing impacted through poorer repairs and fewer new social housing units being built.
17. In return for the substantial investment being made, Southwark are unlikely to get much, if anything, in return. The viability note submitted by NHHT in conjunction with its planning application shows that the Council will receive just £17m in return for its land interest in its sale of the order land (**SM1**). The Development Partnership Agreement shows that there are no minimum land receipts for subsequent phases; as soon as a phase is shown to produce a positive residual land value (i.e. above £1) then the phase will proceed and the residual land value will be Southwark's receipt for the land.
18. What this means is that there is a real risk that the council is going to make a heavy loss on the scheme, which was not envisaged by the Area Action Plan. Indeed the fact that the Development Partnership Agreement ringfences a 21% protected profit margin for NHHT (**SM1**) indicates that the whole contract appears to be constructed as a mechanism to subsidise

NHHT at the cost of the Council's Housing Revenue Account.

19. If the council is subsidising the developer to complete the scheme, it is in my view unarguable that the scheme could lead to an improvement of the economic and social wellbeing of the area.
20. I conclude my evidence by showing that key information both on how the scheme is being funded and the terms governing the provision of NHHT's shared equity offer is being withheld, and submit that the Acquiring Authority is not implementing the scheme in a transparent and accountable manner
21. My conclusion shows that the Acquiring Authority has not demonstrated that the scheme is viable without it subsidising the developer or shortchanging leaseholders. It has failed to demonstrate that confirmation of the order will result in any environmental, economic or social improvement, in particular the lives of those most affected, and I therefore submit that the order should not be confirmed.