

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

Appendices:

GT1 - Guardian article (20/09/2016)

GT2 - Web site article (21/09/2016)

<http://www.ourcity.london/issues/regeneration/aylesbury-estate-regeneration-not-know/>

GT3 - Architects Journal article (28/09/2016)

GT4 - Independent article (28/08/2013)

GT5/a - Buy-back schedule, Aylesbury estate leaseholders

GT6 - Cabinet report (Sep 2016)

GT7 - Section 12 of the Business Plan (annex to 2014 DPA)

GT8 - Financial statements - yr ended 31/03/2017, Walworth Homes Ltd, Notting Hill Commercial Properties Ltd (extract)

GT9 - Minutes of the Aylesbury regeneration steering group (redacted)

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 (**GT1**). A longer version of my article can be found on my website:
<http://www.ourcity.london/issues/regeneration/aylesbury-estate-regeneration-not-know/> (**GT2**)

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

2. Because of the nature of my work, I am often contacted by people wishing to see information put in the public domain in the public interest.
3. 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 being a rule 6 party to the planning inquiry into the application to redevelop the former Fire Brigade Headquarters, 8 Albert Embankment.
4. 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.
5. I would like to address my comments to the requirement that the scheme improves the economic and social wellbeing of the area. It is my view that the scheme does not meet the test set out in law.
6. For my evidence I take the area to be both the London Borough of Southwark and the CPO site in particular.
7. The terms economic and social well being of the area must be in reference to the people who currently live in the area, not the future residents who may move into the area as a result of the scheme.
8. It is quite clear that the people subject to the CPO will not have their wellbeing improved by the order. Leaseholders on the Aylesbury Estate are home owners, occupying land in the London Borough of Southwark. If the

council is granted a compulsory purchase order, 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.

9. 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. The details can be found in the attached article (**GT1**), and FOI responses (**GT5**) which informed it, but they are worth repeating here. Further details can also be found in an in-depth article by the Architects Journal dated 28 Sep 2016 (**GT3**).
10. 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.
11. 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, and threats that an offer will be withdrawn if it is not accepted. I note that in the majority of cases detailed in the FOI response (**GT5**) no surveyors' fee was paid.

12. 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).
13. The effect of this is that people will be forced out of the area. 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.
14. 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.
15. In addition to the economic wellbeing of the people directly impacted by the scheme, the inspector should take into account the economic wellbeing of the people of Southwark as a whole.
16. The argument for many regeneration schemes is often that the schemes pay for themselves. This is not the case here, where the council appear to be spending a significant sum of money on the scheme.
17. 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.

18. 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.
19. 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.
20. 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.
21. I note that there have been a number of deviations from the requirements of the Development Partnership Agreement (DPA). For example Section 12 of the DPA's Business Plan (**GT7**) requires NHHT to deliver a minimum of 33 social rented units on the next phase of development (plot 18) (**GT7**;para

12.8.1.2). But NHHT is now only proposing to build 17 social rented units on plot 18.

22. Section 12 of the DPA also sets out the minimum number and dwelling mix of shared equity units to be provided on each phase for decanted leaseholders (**GT7**; 12.7.1.1; 12.7.2.1; 12.7.2.2 pg 12,13) and details of the terms of the shared equity agreement (**GT7**, 12.7.2.4; 12.7.2.5; 12.7.2.6) but all of which are entirely redacted.
23. Given the importance being attributed to the scheme's shared equity option for leaseholders, I submit that section 12 should be submitted to the inquiry in unredacted form, in order for it to be able to establish the exact provisions governing the delivery of the scheme's shared equity units.
24. Another reason supporting the need for disclosure of section 12, is that it includes a viability assessment of the scheme. Given the importance of viability in terms of establishing the deliverability of the scheme, I submit that section 12 should be provided to the inquiry in full. Only this way can the inquiry satisfy itself that the scheme underlying the order is viable and therefore deliverable.
25. Southwark Council's claim that it should remain redacted on grounds of commercial confidentiality are untenable in view of its recent introduction of a borough-wide policy requiring viability assessments for all schemes to be made public (**RN11**). The Mayor's planning policy also supports transparency, as does the recent DCLG consultation on the issue.
26. Southwark has also sought to withhold information from the minutes of the Aylesbury regeneration's steering group (**GT9**). The information redacted relates to the funding and viability issues affecting the scheme and is clearly not commercial in nature. I find it difficult to understand how the minutes of the steering group deciding over a publicly funded scheme to redevelop a

council estate home to over 7,000 residents can be deemed confidential.

27. I also find it difficult to understand why there is not one single residents group representative on the steering group. One would expect a regeneration scheme of this scale to have at least one representative from each of the four TRA's on the estate and at least one from the Creation Trust, which I understand receives funding precisely in order to help provide a voice for residents in regeneration of their estate. Neither are there any elected councillors on the steering group – it comprises exclusively officers and NHHT executives.
28. In summary, the Acquiring Authority is not implementing the scheme in a transparent and accountable manner. It 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. I therefore submit that the order should not be confirmed.